

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

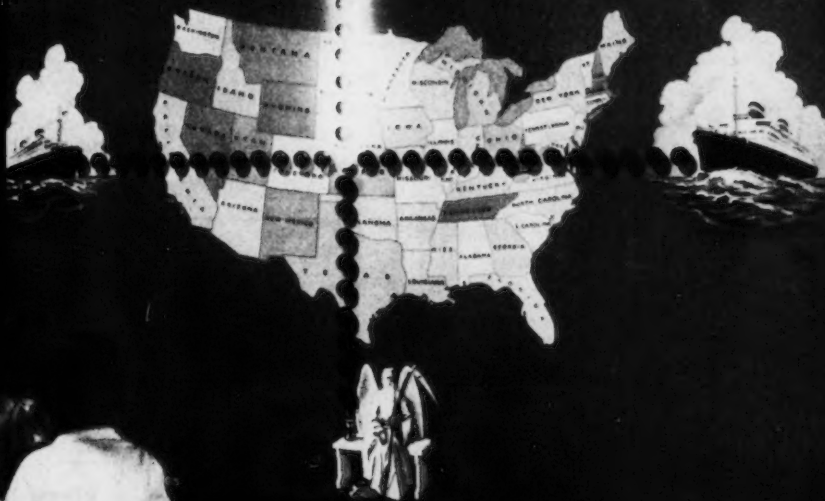
NOVEMBER 1952

ESTIMATED POPULATION OF THE UNITED STATES,
INCLUDING ARMED FORCES OVERSEAS, IS NOW
157,834,783

U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

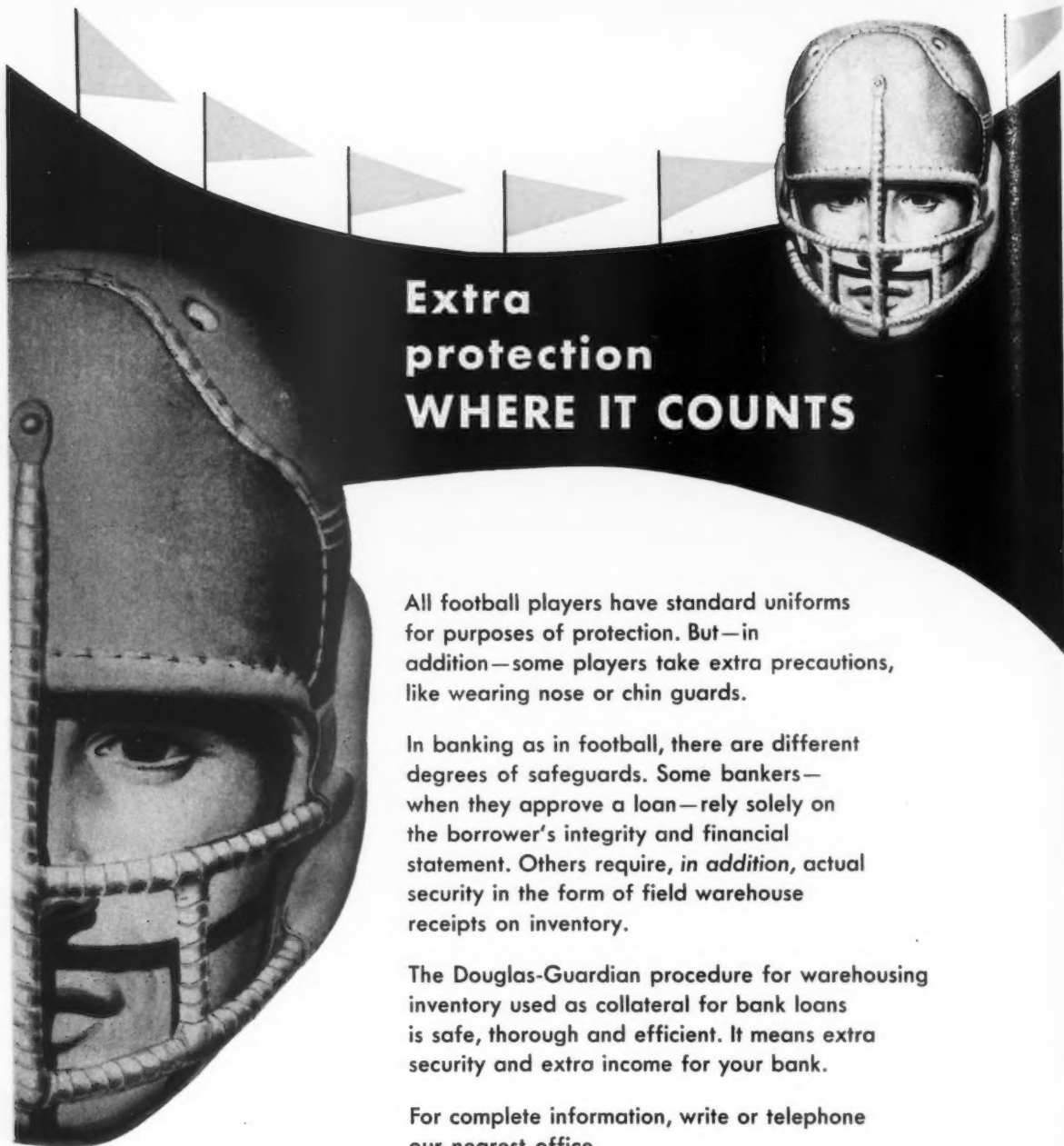
CHANGE
IN
POPULATION

• BIRTH EVERY 9 SECONDS
• DEATH EVERY 21 SECONDS
• IMMIGRANT EVERY 2 MINUTES
• EMIGRANT EVERY 17 MINUTES
• NET GAIN - 1 EVERY 13 SECONDS



How
Census
Trends
Affect
Banking

(page 29)



Extra protection WHERE IT COUNTS

All football players have standard uniforms for purposes of protection. But—in addition—some players take extra precautions, like wearing nose or chin guards.

In banking as in football, there are different degrees of safeguards. Some bankers—when they approve a loan—rely solely on the borrower's integrity and financial statement. Others require, *in addition*, actual security in the form of field warehouse receipts on inventory.

The Douglas-Guardian procedure for warehousing inventory used as collateral for bank loans is safe, thorough and efficient. It means extra security and extra income for your bank.

For complete information, write or telephone our nearest office.



YOU MAKE THE LOANS—WE'LL MAKE THEM SAFE

DOUGLAS - GUARDIAN
WAREHOUSE CORPORATION

"THE BANKERS' FIELD WAREHOUSE COMPANY"

NEW ORLEANS 1, La., 118 North Front St.
NEW YORK 4, N.Y., 50 Broad St.
CHICAGO 2, Ill., 173 W. Madison St.
ATLANTA 3, Ga., Hurt Bldg.
CLEVELAND 23, Ohio, 398 E. 232 St.
DALLAS 1, Texas, Tower Petroleum Bldg.
SPRINGFIELD 3, Mass., 172 Chestnut St.

LOS ANGELES 14, Calif., Garfield Bldg.
MEMPHIS 3, Tenn., Porter Bldg.
PHILADELPHIA 2, Pa., Girard Trust Bldg.
PORTLAND 4, Ore., U.S. Nat'l Bank Bldg.
ROCHESTER 4, N.Y., Commerce Bldg.
SAN FRANCISCO 4, Calif., 300 Montgomery St.

SPRINGFIELD, Mo., McDaniels Bldg.
TAMPA 2, Fla., 416 Tampa St.
HARTFORD, Conn., 149 Woodland St.
MIAMI 44, Fla., 2450 S.W. 62nd Ave.
DETROIT, Mich., Penobscot Bldg.
MARION, Ind., P.O. Box 742
GRAND RAPIDS, Mich., 1368 Walsh St., S. E.

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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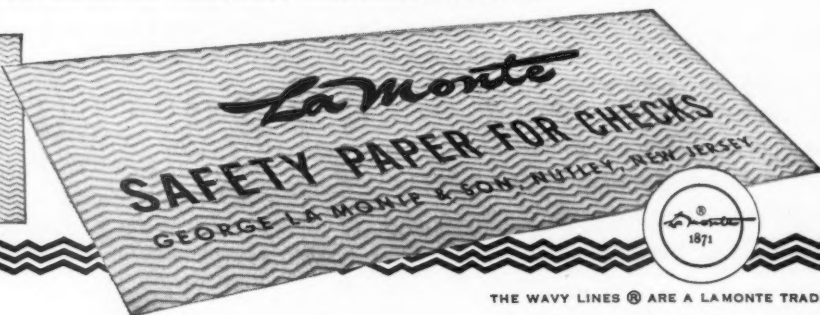


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In any set of circumstances fine appearance correctly combined with substantial utility never fail to earn respectful approval. Check papers are no exception. The quality-look and feel of La Monte Safety Papers have long been recognized in the Banking world. Both in this country and abroad these fine papers have provided bankers not only with maximum safety but also with a well understood advertising advantage. Why not ask your lithographer to show you samples or write us direct.

A Check Paper All Your Own

Thousands of banks and many of the larger corporations use La Monte Safety Papers with their own trade-mark or design made in the paper itself. Such INDIVIDUALIZED check paper provides maximum protection against both alteration and counterfeiting—makes identification positive.



THE WAVY LINES ® ARE A LA MONTE TRADE-MARK

Just a Minute

The Census and the Banks

THE second BANKING Report on subjects especially important to bankers appears this month (pages 29 to 44). It's based on the 1950 Census of the United States.

The purpose is to suggest how banks can use the enumeration's vast statistics to good advantage in shaping their future business plans. Six authors contribute to the study.

First, the Director of the Census, ROY V. PEEL, points out the highlights of the figures, with due attention to population trends, shifts, age group changes, etc. Then five other writers, each of whom had a preview of Mr. PEEL's article, give their views as to what the statistics mean.

Our panelers are ROY A. FOULKE, vice-president of Dun & Bradstreet's; who points up the census' impact on business in general; Pro-

fessor A. A. FRIEDRICH of New York University, general credit; D. JAMES FRITCHARD, vice-president, The Society for Savings, Cleveland, savings; JESSE W. TAPP, executive vice-president, Bank of America, agricultural credit; and JOHN B. MACK, JR., director of the A.B.A. Advertising Department, bank advertising.

"How Census Trends Affect Banking" is a section you'll want to read carefully, and then file for reference.

Selling Bank Services . . . in the Bank

IN his highly practical article, "Point of Purchase Merchandising," LEWIS F. GORDON, vice-president of The Citizens & Southern National Bank, Atlanta, offers BANKING's readers some suggestions on selling bank services in the bank.

"People buy more with their eyes



"I don't care what your election bet was—find some other way of paying it off"

than any other way," says the former president of the Financial Public Relations Association and former member of the A.B.A. Public Relations Council. "It is much easier to get more business from

(CONTINUED ON PAGE 5)

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

IN connection with BANKING'S Report on the impact of the census on banking and business (pages 29-44), our cover shows two future bank customers (or perhaps they already have savings accounts) thoughtfully contemplating a dramatic exhibit at the entrance of the Department of Commerce Building in Washington. The lights in the upper right corner of the display flash at the intervals indicated, registering births, deaths, immigrant arrivals and emigrant departures. The figure at the top, increasing by one every 13 seconds, shows the country's estimated population at the moment the picture was taken. The children are Jacqueline Hoertel and John Shellington, whose lights flashed 4½ and 4 years ago, respectively



PHOTO BY HOERTEL

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Chicago office, 105 West Adams Street, Chicago 3, Ill.; Washington office, 719 Fifteenth Street, N.W. Subscriptions: \$4.50 yearly; Canada, \$5.00; foreign, \$5.50; single copies, 50 cents. Entered as second-class matter at the Post Office at Philadelphia, Pa., under the Act of March 3, 1879. With the exception of official Association announcements, the American Bankers Association disclaims responsibility for opinions expressed and statements made in articles published in this Journal.

"The Best Possible Telephone Service at the Lowest Cost"

Twenty-five years ago, on October 20, 1927, the Bell System put into writing, for all the world to see, the basic principles for the management of the business.

The policy tells the people what they have a right to expect from the company. At the same time, it commits everyone in the Bell System to a high standard of conduct for the business. The promise of "the best possible telephone service at the lowest cost" intensifies the effort to make that promise come true.

The never-changing policy of fair treatment for those who invest in the business, those who work for it, and those who use the service, will bring still greater progress in the years to come.



Responsibility to TELEPHONE USERS

"The fact that the responsibility for a large part of the telephone service of the country rests upon the American Telephone and Telegraph Company and its Associated Companies imposes on the management an unusual obligation to the public to see to it that the service shall at all times be adequate, dependable and satisfactory to the user.

"Obviously, the only sound policy that will meet those obligations is to continue to furnish the best possible telephone service at the lowest cost consistent with financial safety."

Responsibility to TELEPHONE SHARE OWNERS

"The fact that the ownership is so widespread and diffused (there are now more than 1,100,000 share owners of the American Telephone and Telegraph Company) imposes an unusual obligation on the management to see to it that the savings of these people are secure and remain so.

"Payments to share owners, limited to reasonable regular dividends, with the right to make further investments on reasonable terms as the business requires new money from time to time, are to the interest of telephone users and employees as well as share owners."

Responsibility to TELEPHONE EMPLOYEES

Many years ago, in its annual report to share owners, the company's responsibility to its employees was expressed in these words:

"While the Bell System seeks to furnish the public the best possible service at the least cost, the policy which recognizes this obligation to the public recognizes equally its responsibilities to its employees.

"It is and has been the aim to pay salaries and wages in all respects adequate and just and to make sure that individual merit is discovered and recognized."

Bell Telephone System



The Convention

Our report of the 78th annual convention of the American Bankers Association appears in this issue, beginning on page 71. There you'll find news and pictures of what happened in Atlantic City September 28-October 1, the new officers, excerpts from the speeches to which the delegates listened at the general and divisional gatherings, and other information about the big meeting.

(CONTINUED FROM PAGE 3)

your own customers than some business from the customers of another bank."

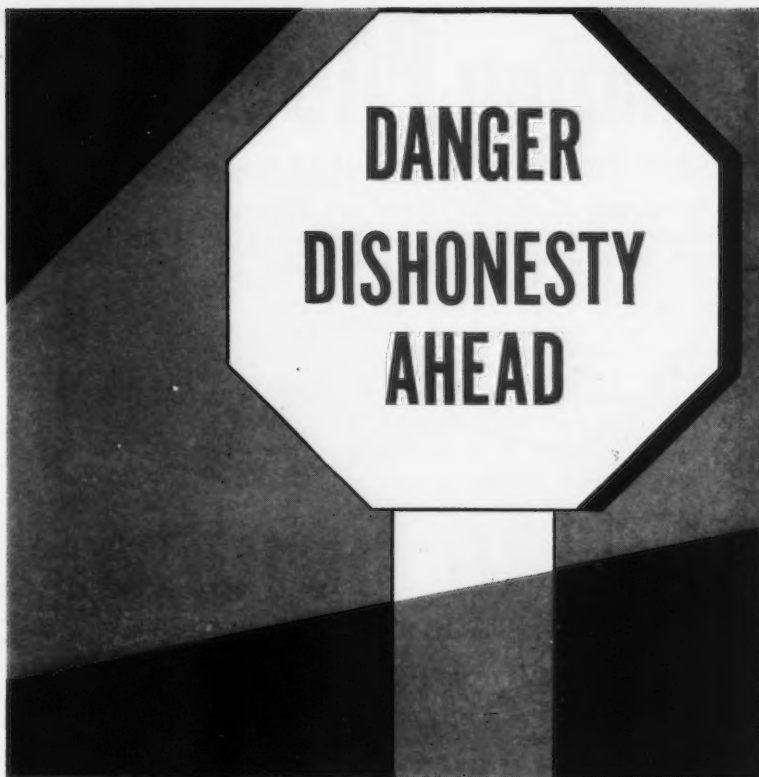
The media, of course, are familiar: posters, savings clubs, sample safe deposit boxes displayed in the lobby, decals, exhibits, to mention a few. They're limited, as Mr. GORDON suggests, only by the promotion man's imagination. The point is to make sure that each of your services is "so clearly identified in the mind of your customer that whenever the need arises, he thinks instinctively of the bank."

"Remember," he counsels, "you are working in your most favorable market, with people whose goodwill you possess—your own customers. You are selling them through the very sense which affects your own buying, their eyes. That's why point of purchase merchandising is one of your most effective, least expensive methods of selling service today."

"You're not at the bank now, Edward, so stop saying, 'How will you have it?'"



November 1952



The F.B.I. reports that embezzlements in banks and savings and loan associations have increased 188 per cent since 1946 and that the trend continues upward. During the last 6 years, a total of 2,765 embezzlements were reported in banks insured by the Federal Deposit Insurance Corporation.

Heed the warning sign. Don't wait for an embezzlement to test the adequacy of your blanket bond protection. Let us have one of our bank bond specialists check it for you right now. A call to the local F&D representative is all that's needed.


FIDELITY AND DEPOSIT COMPANY
 Baltimore Maryland

FIDELITY, SURETY AND BANKERS
BLANKET BONDS; BURGLARY AND
OTHER NEEDED FORMS OF INSURANCE

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

Amazing PAGE GAGE

—takes the guesswork out of page-end typing!

saves retyping
hundreds of letters each
month. Signal warns
when you are 2½ inches
from bottom of page
—and keeps warning you
how much space is left,
right to the very end.
See it demonstrated!



in the new

Smith-Corona

OFFICE TYPEWRITER



Free! TYPING SHORTCUTS! TIME & TROUBLE SAVERS!

Mighty useful 24-page, pocket-size brochure—packed with practical suggestions, typing methods, tips and shortcuts. Write or 'phone any Smith-Corona Dealer or Branch Office, or...

L.C. SMITH & CORONA TYPEWRITERS INC SYRACUSE 1 N.Y. Canadian factory and offices, Toronto, Ontario. Makers also of famous Smith-Corona Portable Typewriters, Adding Machines, Vivid Duplicators, Ribbons and Carbons.



When His Lordship Went A-Banking

BANK OF MONTREAL, opening a new Montreal branch with drive-in "wicket," claimed a "first."

Included in the extensive promotion campaign for the branch were a newspaper ad and news release which said that the first record of drive-in banking in Canada placed the event in the bank more than a century ago.

"Back in the 1840s Lord Mark Kerr, an officer on the Governor-General's staff, rode his horse right into the banking room of the Bank of Montreal's main office on St. James Street—and proceeded to conduct his business from the saddle.

"His lordship's action is said to have created quite a stir among the tellers and his fellow-customers, but it was certainly a convenient way of cashing a cheque."

The copy went on to say that Montreal's present "fugitives from the parking problem" could now enjoy a similar but even more convenient banking service "at the first drive-in banking office in Eastern Canada." The new branch's "wicket" is said to be the "first of its type anywhere in the world."

Act IV

IN our August issue there was a full page cartoon, "Customer Relations in Three Acts," by GRAHAM HUNTER.

The number of requests to reprint this drawing suggests that our readers have added a fourth act—the implementation of the idea by using the picture for promotional pur-

(CONTINUED ON PAGE 11)

92¢ to WRITE A LETTER?

Yes, that's what it costs to prepare the usual business letter

and we would like to spend 89 cents* to write you a letter... to show you how the use of Sikes stenographic posture chairs will enable each typist to cut this cost.

Send for the break-down based on figures compiled by the National Stationery and Office Equipment Assoc. See what an important part a good chair plays in lowering the cost per letter. Ask for Folder 5-3.

*Using a Sikes chair, we save money.



BUSINESS CHAIRS
for
"Energized Seating"




SIKES NO. X131½

THE SIKES COMPANY, INC. 24 Churchill Street, Buffalo 7, N.Y.

RUGGED as the Rockies...

Smooth as silk



View of Superposed Grade V receiver and action, revealing the silky-smooth hand polishing of the *inside* metal parts of the mechanism.

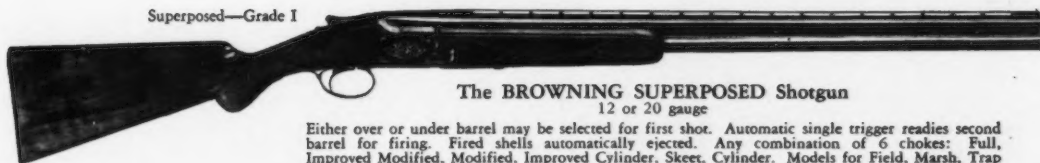
**RUGGED STRENGTH...
SMOOTH ENDURANCE**

Carved solid steel designed by Browning; hand-fitted, hand-finished, hand-engraved. This means dependability for the hand, and pleasure to the eye.

The great practical advantage of smooth, finely fitted parts is worth the unusual manufacturing effort: wear is minimized, function is positive.

Visit a Browning dealer. Examine Browning shotguns... Be your own judge...

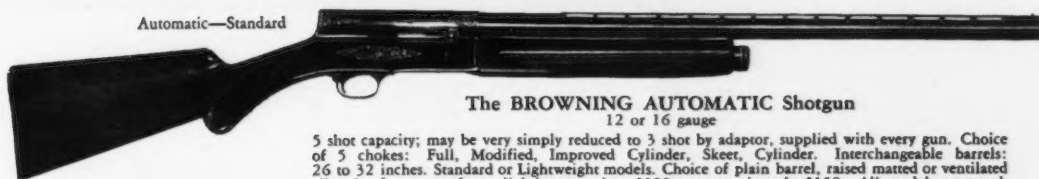
Superposed—Grade I



The BROWNING SUPERPOSED Shotgun
12 or 20 gauge

Either over or under barrel may be selected for first shot. Automatic single trigger readies second barrel for firing. Fired shells automatically ejected. Any combination of 6 chokes: Full, Improved Modified, Modified, Improved Cylinder, Skeet, Cylinder. Models for Field, Marsh, Trap or Skeet. Grades I, II, III, IV, V in \$200, \$300, \$400, \$500, \$600 classes. All models engraved.

Automatic—Standard



The BROWNING AUTOMATIC Shotgun
12 or 16 gauge

5 shot capacity; may be very simply reduced to 3 shot by adaptor, supplied with every gun. Choice of 5 chokes: Full, Modified, Improved Cylinder, Skeet, Cylinder. Interchangeable barrels: 26 to 32 inches. Standard or Lightweight models. Choice of plain barrel, raised matted or ventilated rib. 6 price ranges from slightly more than \$100 to approximately \$150. All models engraved.

IDEA! A Browning shotgun is a perfect gift for Retirement, Anniversary, Birthday, Christmas!

MADE IN BELGIUM

BROWNING... *Finest in Firearms*

Write Dept. 34 for Descriptive Literature—BROWNING ARMS CO., St. Louis 3, Missouri, U. S. A.

Also available upon request. Illustrated booklet: "History of Browning Guns, From 1831"

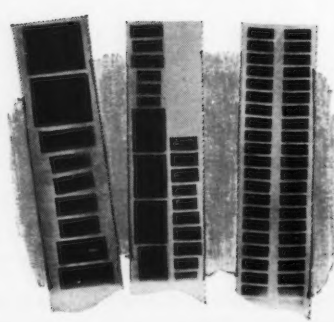


Is your m

SEE H

Rarely ca
off as ha
the kind
Burrough
The use
number
reduction
are slash
in film o
the pho
brilliant

3 reasons why modern



3 FILM PATTERNS

Both sides of records may be photographed simultaneously with images side by side; one side may be recorded on half the film width, running images down one side of film and up the other; single sides can be recorded on full film width.

microfilming equipment out of date?

SEE HOW YOU CAN SAVE WITH MODERN BURROUGHS MICROFILMING

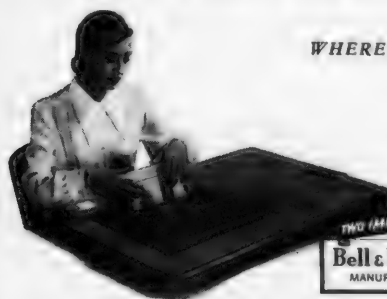
Rarely can the replacement of out-of-date equipment pay off as handsomely as in the case of microfilming! Here is the kind of saving you can expect with new, modern Burroughs microfilming.

The use of 8 mm photography on 16 mm film doubles the number of images per foot of film. The high 37 to 1 reduction ratio further increases the saving. Film costs are slashed as much as 80 % in many cases. The savings in film costs alone can pay for the new equipment! And the photography itself is superlative for its image clarity, brilliance and contrast.

With Burroughs, you *own* the equipment . . . you don't have to rent. And your equipment is the most modern available—made by Bell & Howell, sold and serviced by Burroughs. There are 25 Burroughs processing stations for fast, expert developing of your film, over 600 Burroughs service centers to keep your equipment at peak performance—wherever you are.

Your Burroughs representative has factual data for your consideration, and can give you immediate delivery of the equipment. See how you can save—call him today! Burroughs Adding Machine Company, Detroit 32, Mich.

In Canada: Burroughs Adding Machine of Canada, Limited, Windsor, Ontario



WHEREVER THERE'S BUSINESS THERE'S

Burroughs



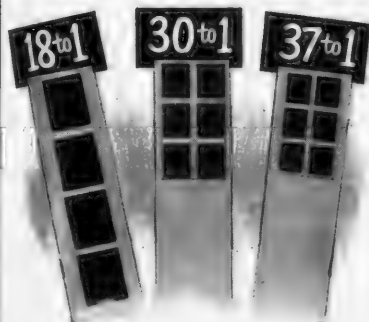
TWO IMPORTANT NAMES IN MICROFILMING

Bell & Howell
MANUFACTURER

Burroughs
DISTRIBUTOR

Modern, high-speed Bell & Howell recorder offers many cost-saving features that make obsolete most microfilming equipment now in use.

Burroughs Microfilming is best for you—



HIGH REDUCTION RATIO

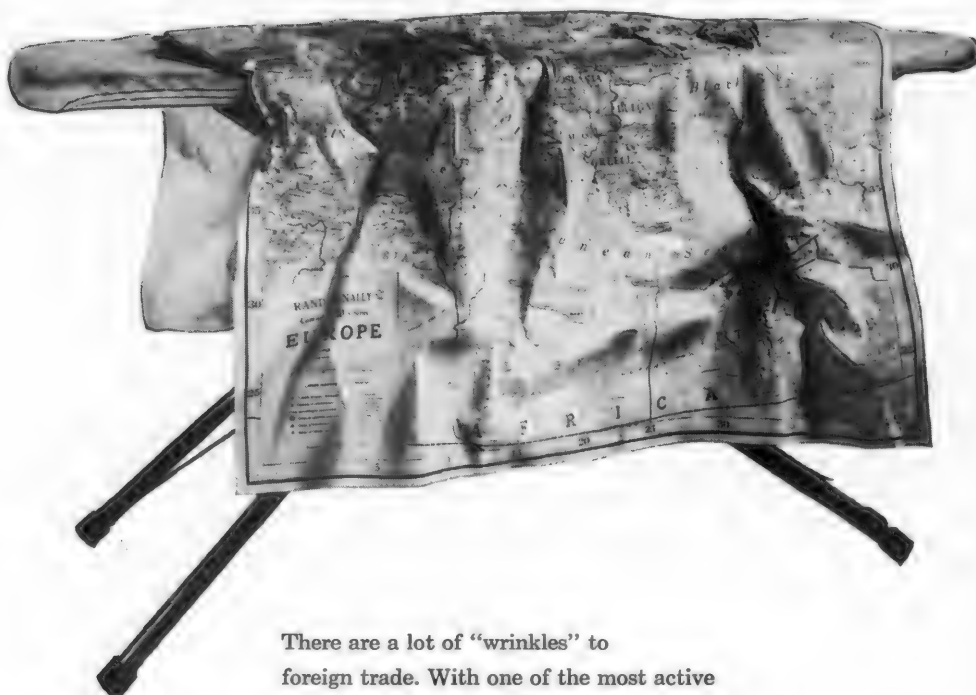
Burroughs Microfilming doubles the number of images per foot of film by the use of 8 mm photography on 16 mm film. The 37 to 1 reduction ratio further increases the saving. Two other reduction ratios (30-1, 18-1) are available.



FAST, EASY OPERATION

Bell & Howell Recorder requires no special training for operators. Offers high-speed automatic feeding and simplified hand feeding. Visual, audible and automatic controls prevent errors, speed production.

pressing problems overseas?



There are a lot of "wrinkles" to foreign trade. With one of the most active foreign departments in the country and the largest in Philadelphia —with direct contacts with a lot of people in a lot of places—Philadelphia National can help you iron them out.

THE PHILADELPHIA NATIONAL BANK

PHILADELPHIA 1, PA.

Organized 1803

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

The Number One Bank in Philadelphia in more ways than one!

(CONTINUED FROM PAGE 6)

poses. The CITIZENS BANK & TRUST COMPANY of Roanoke Rapids, North Carolina, for example, ran it as an ad in the local newspaper.

The picture told tersely the story of "the friendly bank," which is the Citizens' motto.

News from Coronado and Milwaukee

THE convention of the FINANCIAL PUBLIC RELATIONS ASSOCIATION at Coronado, California, came just too late for this issue of BANKING.

But we were there, you may be sure, with plenty of notebooks and pencils, and the story of FPRA's big meeting will appear in our December number.

On the way home from California BANKING stopped off at Milwaukee for the NATIONAL ASSOCIATION of BANK AUDITORS AND COMPTROLLERS annual gathering. This was another ideaful convention. We plan to tell you about it next month, too.

Blue Danube to Bluer Pacific

MEET ALFRED H. RATH, the personable young Austrian whose education in the United States is being aided by banker friends here.

ALFRED, 24, has a full scholarship at the University of Southern California, Los Angeles, where he registered this fall as a graduate student in political science. He expects to work part time for the Bank of America while getting the degree of Doctor of Philosophy.

ALFRED grew up in Vienna, studied law for three years at the university there, and then decided to continue his studies in the United States. Coming to this country in 1950 as an exchange student, he enrolled at Whittier College, California, got his A.B., and returned to Vienna.

But opportunities in the United States seemed brighter than those available at the fringe of the Iron Curtain, so ALFRED is back. During his stay at Whittier he made several good friends, including A. J. GOCK, chairman of Bank of America's board, and WALTER B. FRENCH, deputy manager of the American Bankers Association. When he decided to continue his studies at USC, with the aid of the scholarship and a stipend from the university, Mr. GOCK offered to help by finding him a job.



What, I Need
MARINE
INSURANCE?

The answer to that is easy—way back—out of their hundreds of years of experience as Ocean Cargo Insurers—Marine Insurance Companies undertook to meet the growing demands for insurance on shore—out of that grew the many and varied policies of today—meeting all sorts of problems—doing all sorts of jobs—actually it has become "Inland Marine".

Take your own case, Mr. Contractor. Your large investment in equipment, your power shovels, pneumatic drills, ditchers, derricks, bulldozers—the stuff that moves around—need protection beyond the ordinary fire policy, need insurance wherever you may send them in this country. A Contractors' Equipment Floater gives you fire protection plus insurance against perils peculiar to your business, such as cyclone, tornado, windstorm, bridge collapse, explosions of most kinds, theft, upset, collision, derailment or overturning of the vehicle on which the equipment is being transported, and other perils, too!

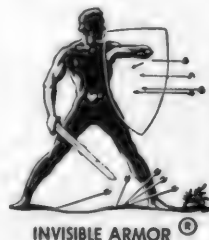
Where banks advance money to purchase equipment, they, too, are interested in this protection, and more and more are demanding this broad form of coverage.



Cities and towns are in the construction business, also. Building and maintenance of adequate roads take a big percentage of income, and, in most instances, the equipment is owned by the municipality. The Contractors' Equipment Floater is a "must" to protect the taxpayers' investment.

Backed by years of underwriting experience, equitable settlement of claims, and daily contact with the construction and financial fields, National Surety Marine Insurance Corporation, a subsidiary, offers this type of inland marine insurance through its agent in your community.

Get in touch with him today and make certain your investment is guarded by the INVISIBLE ARMOR of sound insurance.



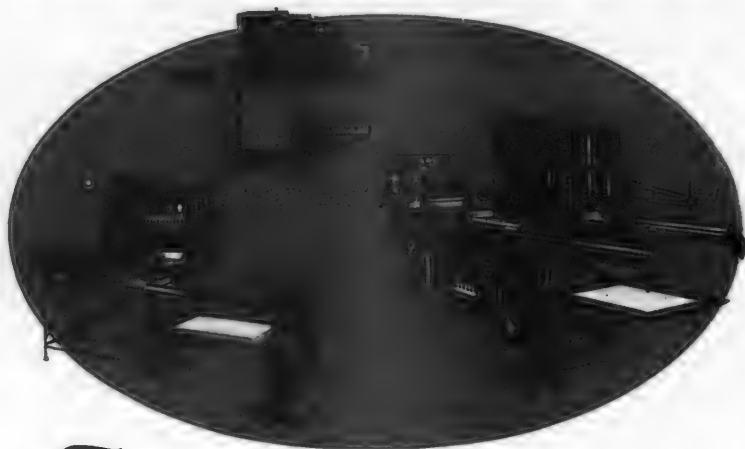
NATIONAL SURETY
CORPORATION

4 Albany Street, New York

PHOTOSTAT

REG. U.S. PAT. OFF.

Photographic Copying Equipment



Speeds up bank work . . .

Saves time and money . . .

by the accurate copying
of important papers

• Items advantageously
copied in bank and trust
company operation are
legion . . . among them . . .

AUDITOR'S REPORTS
BALANCE SHEETS
CORRESPONDENCE
DEEDS
DOCUMENTS FOR COURT USE
ESTATE TRUST RECORDS
FINANCIAL STATEMENTS
INCOME TAX RETURNS
INSURANCE POLICIES
INVENTORIES OF PROPERTY
LEASES
LEDGER PAGES
LOAN AGREEMENTS
MORTGAGE AGREEMENTS
NOTES
POWERS OF ATTORNEY
SIGNATURE CARDS
SURVEYS
WILLS

Photocopies enable you to
keep all papers and docu-
ments in your own hands at
all times, available and safe.

These modern photographic copying machines make copies quickly, accurately and economically of anything that is written, printed, drawn, type-written, or photographed . . . in exact size . . . or enlarged . . . or reduced.

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Fifty Years of the Dollar

"THE word *inflation* has lost its punch so far as convincing most people that there is something wrong with our present-day economy," said Dr. Harold Stonier, executive vice-president of the American Bankers Association, speaking before the 50th anniversary convention of The Savings Banks' Association of Connecticut last month on "Fifty Years of the Dollar."

"It would seem to me that people in general," said Dr. Stonier, "will not be bothered much about inflation until it takes \$5 to buy a pound of butter or a quart of milk or \$50 for a pair of new shoes for their kids when they start to school in the fall. That has been the experience of the ordinary people of the European countries. They continued to adjust themselves to inflationary processes until the time suddenly arrived when the purchasing power of their monetary unit was gone."

Dr. Stonier asserted "that in all fairness, instead of picking on any party or group of people who might be in power at any given time due to the majority votes of the American people, we must realize that we have committed ourselves to very expensive activities." He doubted if "any political party could be elected if it denied the fundamental implications of the policy of full employment to which we as a nation are now committed."

The 'Best Dollar'

Continuing, he said: "The 'best dollar,' historically speaking, has been the dollar which has the purchasing power of between 80 cents and 110 cents. Such a dollar indicates flexibility in the economy, progress, and a minimum of waste. Such periods are generally accompanied by fair wages and a substantial rate of savings which can be invested in new plants and equipment, for to keep the purchasing power of the dollar at nearly the right level, you have got to have continually a flow of goods into the market, which can come only through constructive investment in new plants and machines as the end result of savings."



THEY were newlyweds and, as a wedding present, a devoted grandfather had sent them a check for \$500. "For a nest egg," he said, intimating that he hoped they would save it and add to it now and then. The groom was a little dubious about putting this windfall into a savings account.

"Banks don't pay much interest on savings," he said. "Seems as if we should make more than \$7.50 a year off it. A person ought to get something more like a real income to make a savings account worthwhile."

"Oh, let's put it in the bank and please grandfather," urged the bride. "We can draw a little out every now and then and get our interest that way."

* * *

SHE hadn't been in this country very long, and all the ways of business were strange to her. In fact, she had never been in a bank before in her life. But she had a job and now she had her first pay check. It was very precious to her—she hated to give it up—but she needed the cold cash.

So she presented it at the teller's window. The teller told her she would have to be identified. A flow



of strange syllables and a frightened look showed that she didn't understand. With great patience the teller explained that she must prove that she was the person named on the check before she could cash it. Finally she understood. She seized the check and ran out of the bank, exclaiming, "I come back."

In about 20 minutes the big doors swung wide to admit her and a group of 10 people of all ages. She went to the teller's cage; they followed and stood behind her. "Look!" she said, "mine fadder, mine mudder, mine brudder Carlos, mine twin sisters Marya and Natalia, mine brudder-in-law Alexander, mine Uncle Max, mine Auntie Carlotta, mine little brudder Paul, and mine cousin Anna. All will tell you that I Stephanya Katerinsky am!"

* * *

ONE of our local merchants tells a joke on himself. A customer from another town came in on a busy Saturday and purchased a new suit, hat, shoes, and several shirts. After the packages had been wrapped, he produced a check and asked the merchant to fill it out for him. The businessman was glad to do this. It was a busy day, so he was in a hurry to wait on other customers fidgeting nearby. He not only filled in the check, but absent-mindedly signed it, dropped it in the cash drawer, thanked the customer, and handed him his packages. It wasn't until he made up his next deposit that he realized what had happened. The customer? He was never seen again.



THIS befuddled merchant was almost as disgusted as the bank we heard about a week or so ago. This institution had loaned money on warehouse receipts against canned goods. The loan defaulted, the bank levied on the security only to find neatly stacked up in the bankrupt customer's warehouse case upon case of canned water!

BELLE S. HAMILTON

It doesn't mean much to be the party in power if there is little power in the party.

When a successful politician comes to the parting of the ways, he goes both ways.

now!

This Public Relations
WEATHER TOWER
Can be
YOURS!

Flashes
U. S. OFFICIAL WEATHER
to Your
COMMUNITY

Visible
DAY AND NIGHT

Everyone watches
it . . . everyone
talks about it.

Wherever installed...
All EYES are upon it!

YOUR BANK
CAN BE THE
FOCAL POINT
IN YOUR
COMMUNITY.
WRITE FOR
DESCRIPTIVE
FOLDER.

UNITED
WEATHER TOWERS, INC.

Heard Along Main Street

This department is compiled by THEODORE FISCHER of BANKING'S staff.

Bank Open Six Days; Staff Works Five

FIRST NATIONAL BANK IN DALLAS has announced that it is giving its employees a five-day work week while keeping the bank open Monday through Saturday. A rotating plan gives each employee another day off each week in addition to Sunday. Some departments will have skeleton staffs on Saturday where operations permit.

BEN R. WOOTEN, president, said that "in adopting the five-day work week, we feel that our employees should have the same type of working conditions that are provided by other large and outstanding corporations. . . . The results of our action have been most gratifying. Our five-day week plan is not intended as a substitute, if a state law is enacted permitting banks to close on Saturday."

His new position as president of the Michigan Bell Telephone Com-

pany made it necessary for CLIFTON W. PHALEN to resign as a trustee of East River Savings Bank, New York.

B. W. LAKENMACHER, vice-president and cashier of the Houston (Texas) National Bank, was presented a silver bowl by fellow officers and directors in recognition of his 30 years with the bank.

East River Savings Bank, New York, has announced the retirement of ERNEST CALCATERRA, chief accountant.

PEOPLES FIRST NATIONAL BANK & TRUST COMPANY, Pittsburgh, conducted a campaign to get the eligible voters on its staff to register. In mid-September the bank announced that 98.6 percent of its 1,200 employees eligible to vote had registered.

B. WATSON LUKE and ARTHUR E. HURT have been named vice-presidents by American Trust Company, San Francisco.

When NATIONAL BANK OF UNION CITY, Pennsylvania, held open house



J. B. Adoue, center, mayor of Dallas, lights the new sign atop the Texas Bank & Trust Company, despite the fact that as president of the National Bank of Commerce he is a business competitor. Flanking the mayor are Texas Bank officers W. W. Overton, Jr., left, board chairman, and P. B. (Jack) Garrett, president

to display its remodeled building, more than 25 percent of the population of its banking area came.

At the New York Trust Company, New York, JOHN L. PALMER and CHARLES B. EDDY, JR., were promoted to vice-presidencies.

Assistant Cashier JOHN LEWIS CARDEN has been named manager of the Madison (Tennessee) Branch of the First American National Bank of Nashville.

Golden Anniversary

THE HOME STATE BANK, Kansas City, Kansas, recently held an open house to celebrate its golden anniversary. A number of exhibits were featured, including signatures of all the Presidents of the United States, historic photographs of local street scenes, Thomas A. Edison's early inventions, and the money collection of the Chase National Bank of New York.

The bank issued also a folder, *A Golden Anniversary Report to You*, which included a message from President CLAUDE F. PACK.

CLARA E. SAMMONS has advanced to assistant cashier of the Farmers Bank of the State of Delaware, (CONTINUED ON PAGE 17)

These photo murals in full color at the Tucker County Bank, Parsons, West Virginia, were made from black and white post card views of nearby scenes. The bank has used the post cards to publicize its murals



3 smart moves toward better business...

(1) Give your bank a more modern, more progressive look



When you modernize your bank building with an attractive Pittsburgh Store Front you help give it a friendlier, more inviting look . . . create an atmosphere of progressiveness that attests to the solidity of the concern . . . and improve operating efficiency of the bank.

*The Citizens National Bank, Alexandria, Va.
Pittsburgh Products used: Twindow (insulated glass),
Polished Plate Glass, Pittco Deluxe Store Front
Metal, Pittsburgh Doorway, PC Foamglas insulation.
Architect: Robert A. Willgoos, Alexandria.*



(2) Modernize the properties held by your bank

When you modernize the retail properties you handle with sales-winning Pittsburgh Products you keep present tenants satisfied, attract many potential renters . . . increase your revenue, protect your investment.

*Joly Tailor, Montreal, Quebec, Canada.
Pittsburgh Products used: Polished Plate Glass, Pittco
Deluxe Store Front Metal, Herculite Door and Sidelights.
Architect: Lucien Lemieux, Montreal.*



(3) Grant loans to local merchants for modernizing their stores

You make a bid for larger deposits from merchants by granting them loans with which to modernize their stores. Pittsburgh modernization programs are good risks.

*C. E. Lee Company, South Bend, Indiana.
Pittsburgh Products used: Carrara Structural Glass, Pittco
Store Front Metal, Polished Plate Glass, Herculite Door.*

**Store Fronts
and Interiors
by Pittsburgh**

Get a copy
of our modern-
ization booklet
which contains
Pittsburgh Product
information and
photos of actual
Pittsburgh
installations



Pittsburgh Plate Glass Company
Room 2147, 632 Duquesne Way, Pittsburgh 22, Pa.

Without obligation on my part, please send me a FREE copy of your booklet, "How To Give Your Store The Look That Sells."

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PITTSBURGH PLATE GLASS COMPANY

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NEWS OF THE WORLD with **MORGAN BEATTY** — MON. thru FRI. — 11:15-11:30 PM NYT. A late night roundup by one of America's most popular interpreters of the news. (Not available to Pacific Zone).

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DANGEROUS ASSIGNMENT
WITH BRIAN DONLEVY
HOWDY DOODY
MEREDITH WILLSON
AMERICAN FORUM OF THE AIR (TV)
ROOTIE KAZOOTIE (TV)
WHO SAID THAT? (TV)

For further details consult your nearest NBC station or

NBC CO-OP SALES

NATIONAL BROADCASTING COMPANY
30 Rockefeller Plaza • New York 20, New York

MAIN STREET (Continued)

Georgetown. MISS SAMMONS has been with the bank for 34 years. HAROLD D. HATFIELD has been promoted to trust officer in the same office. EDWARD W. HAGEMEYER has been named a vice-president in the bank's Wilmington office. He's a member of the Class of 1953 at The Graduate School of Banking.

The FRANKLIN SAVINGS BANK, New York, has installed interior and exterior lighting to make it more in keeping with its location at 8th Avenue and 42 Street in the "Great White Way Area."

BANK OF AMERICA has opened a new branch in Osaka, its fourth in Japan.

FRANCIS P. BEATTIE, WALTER M. ROSS, and PIERCE ONTHANK are now vice-presidents of Chemical Bank & Trust Company, New York.

The First National Bank of Floral Park, New York, has been consolidated with the FRANKLIN NATIONAL BANK OF FRANKLIN SQUARE.

WILLIAM B. DETWEILER, former president of the Wayne State Bank; FLOYD A. KEHRL, former president of the First National Bank in Plym-



John S. Young



Jack E. Little



Irma S. Robins



Frank H. Neely

outh; and HARRY O. MOHRMANN, former executive vice-president of the Plymouth United Savings Bank, have been elected vice-presidents of the National Bank of Detroit as a result of a merger of their banks with that institution.

JACK E. LITTLE and JOHN S. YOUNG have advanced to vice-presidencies at the First National Bank in Dallas, Texas.

CITIZENS BANKING COMPANY, Salineville, Ohio, held an open house to celebrate its 50th anniversary.

WAUNAKEE (Wisconsin) STATE BANK, held an open house for the double purpose of commemorating its 50th anniversary and showing its recently enlarged banking quarters.

THOMAS I. STORRS, monetary economist, has been elected assistant vice-president of the Federal Reserve Bank of Richmond. A. AUGUS-

TUS STEWART, Jr., has been named cashier of the Baltimore branch.

IRMA S. ROBINS has been elected assistant director of public relations for the Franklin National Bank of Franklin Square, New York. MRS. ROBINS inaugurated the field trips to the bank for elementary and high school students, has been active in women's groups and civic associations, and has been director of finances for the two Nassau County industrial expositions.

FRANK H. NEELY, chairman of the board of the Federal Reserve Bank of Atlanta, has received the 1952 Henry Laurence Gantt Medal for "distinguished achievement in industrial management as a service to the community." MR. NEELY is also chairman of Rich's, Inc., Atlanta department store.

Frederick Gretsck

FREDERICK GRETSCH, chairman of the board of the Lincoln Savings Bank of Brooklyn died September 27 at the age of 72. He had been associated with the bank since 1918, and was long prominent in civic affairs of the Williamsburg section of Brooklyn. He was a director of Manufacturers Trust Company, a past president of the Brooklyn Chamber of Commerce, chairman for a number of years of the executive committee of the Group V Savings Banks Association of the State of New York, a member of the advisory council of New York Chapter, American Institute of Banking, and a trustee of the Savings Bank Life Insurance Council of New York.

KEITH G. CONE, vice-president of the La Salle National Bank, Chicago, has assumed general supervision over the bank's business development activities in addition to heading the consumer credit department. WILLIAM J. SCOTT takes charge of advertising and publicity, and HAR-

L. Lorraine Attig, left, of the Birmingham (Michigan) National Bank receives the Jean Arnot Reid Award from Nancye B. Staub, retiring president of the Association of Bank Women at the association's convention in Atlantic City. Also shown in picture are Martin J. Travers, president of the American Institute of Banking and vice-president, The Marine Midland Trust Company, Niagara Falls, and Dr. Leroy Lewis, A.I.B.'s national educational director, both of whom spoke briefly at the luncheon at which the award was made. Further award details on page 138





In Seattle, Pacific National's experience and expert knowledge can be put to work for your bank and its customers.

Member Federal Deposit Insurance Corporation

B 17

Back in the war years reference to B17 meant only one thing—the good old dependable bomber that made things so unpleasant for the enemy. As used here, it refers to a simple but functional sort symbol printed on a bank check to indicate that the maker's name begins with Bli-Bn, and its purpose is to assist bank people to fine sort to the books with greater speed and accuracy.

Some large banks use a small number of single letter symbols to give them a rough sort to the bookkeeping divisions, in each of which there might be ten or fifteen ledgers. A few banks now are using the fine sort symbols which break down to parts of the individual ledgers. A large number of banks are now contemplating the adoption of these fine sort symbols, and it is this far-flung interest which makes the subject newsworthy.

If, as is indicated, banks are going to print sort symbols on their checks to facilitate check handling, they might just as well print the customer's full name because the additional cost would be infinitesimal and the printed name would have some considerable customer relations value. A few of our customers are doing this now and a number of others are considering doing it. Apparently this business of sorting checks by inexperienced people is quite a headache.

Well . . . where we come into the picture is in the execution of the thousands of small, individual orders required when sort symbols have to be imprinted—usually one hundred checks to the order. We know how to give service on small packages. We have the facilities to do it well. Whether you require 10,000 such orders per year, or 100,000, we are mentally attuned and physically equipped to provide top-notch service.



Manufacturing Plants at:

CLIFTON, PAOLI, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL



Walter E. Borden



Walter S. Bucklin

OLD W. DODGE becomes loaning officer in the commercial loan division. JOHN VARLEY succeeds MR. DODGE as manager of the commercial credit department.

WALTER E. BORDEN, senior vice-president and general manager of the National Shawmut Bank, Boston, has been elected president, succeeding WALTER S. BUCKLIN who becomes chairman of the board. MR. BUCKLIN had been president of the bank for the past 29 years.

GEORGE J. WATTS, who left Girard Trust Corn Exchange Bank, Philadelphia, last March to join Republic National Bank, Dallas, has been promoted to vice-president at Republic and will be in charge of public relations and advertising.

At National City Bank of New York, the number of senior vice-presidents has been changed from three to one, who will be DEWITT A. FORWARD, senior credit officer of the bank. Three senior officers were appointed to the new office of executive.
(CONTINUED ON PAGE 20)

G. Keith Funston, president of the New York Stock Exchange, examines at Trinity Church, New York, a copy of the new Revised Standard Version Bible





THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, SEPTEMBER 30, 1952

RESOURCES

Cash and Due from Banks	\$1,343,682,825.50
U. S. Government Obligations.	1,119,655,726.89
State and Municipal Securities	319,212,070.55
Other Securities	244,576,237.83
Mortgages	60,667,874.81
Loans	2,200,120,839.54
Accrued Interest Receivable	11,600,479.89
Customers' Acceptance Liability	36,941,639.97
Banking Houses	29,496,164.57
Other Assets	9,712,260.49
	<u>\$5,375,666,120.04</u>

LIABILITIES

Deposits	\$4,897,132,010.21
Foreign Funds Borrowed	17,010,533.00
Dividends Payable November 1, 1952	5,920,000.00
Reserves—Taxes and Expenses.	31,454,582.74
Other Liabilities	19,032,037.57
Acceptances Outstanding	40,081,401.73
Less: In Portfolio	2,860,800.49
Capital Funds:	
Capital Stock. \$111,000,000.00	
(7,400,000 Shares—\$15 Par)	
Surplus	189,000,000.00
Undivided Profits	67,896,355.28
	<u>367,896,355.28</u>
	<u>\$5,375,666,120.04</u>

United States Government and other securities carried at \$475,889,990.00 were pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

Your Business . . . and Our "Interest"

In Philadelphia, Central-Penn has been known for more than a century as the bank where "interest" means more than just the return on an investment.

With us it also means the interest we share with each of our clients in the growth and productivity of their business.

If you have transactions in the booming Philadelphia area, you would do well to refer to Central-Penn, the bank that has your interest at heart.

**CENTRAL-PENN
NATIONAL BANK**
OF PHILADELPHIA
MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

FAST
**COLLECTION
FACILITIES**

including
complete
night
transit
operation

The
NATIONAL CITY BANK
of Cleveland
623-629 1845 Euclid Ave.
MEMBER FEDERAL DEPOSIT INSURANCE
CORPORATION



William L. Day



Bevan Johnson



Earl S. MacNeill



David Rockefeller

MAIN STREET (Continued)

tive vice-president: JAMES S. ROCKEFELLER, LEO N. SHAW, and NATHAN C. LENFESTEY, who is also cashier.

Top Level Changes at Pennsylvania Company

WILLIAM FULTON KURTZ has resigned as president but remains as chairman of the board of The Pennsylvania Company for Banking and Trusts, Philadelphia. WILLIAM L. DAY, executive vice-president, was named president and chief administrative officer. Senior Vice-President WILLIAM F. KELLY was elected executive vice-president and will continue in charge of the bank's loan and credit activities. MR. KELLY is a member of the Small Business Credit Commission of the American Bankers Association and is a past chairman of the Consumer Credit Committee, now the Instalment Credit Commission.

BEVAN JOHNSON has joined the Citizens National Trust and Savings

Bank of Riverside, California, as vice-president in charge of mortgage loans and supervisor of general real estate lending and related activities for the bank's entire system. MR. JOHNSON is new to banking, having been identified with real estate.

EARL S. MACNEILL, vice-president of Irving Trust Company, New York, and a frequent contributor to *BANKING*, has been named chairman of the Real Property, Probate and Trust Law Section of the American Bar Association.

DAVID ROCKEFELLER has been named a senior vice-president of The Chase National Bank, New York, responsible for the supervision of customer relations in the metropolitan area. He had been vice-president with supervision of the bank's business in Latin America.

A special section in the *Amarillo Sunday News-Globe* saluted the
(CONTINUED ON PAGE 22)

An engrossed testimonial commemorating 113 years of banking relations between The Hanover Bank, New York, and the Board of National Missions, Presbyterian Church, U. S. A., and the board's sesquicentennial is examined by, *left to right*, William A. Eldridge, Hanover vice-chairman; the Rev. Dr. Hermann N. Morse, general secretary, and the Rev. Dr. Jean S. Milner, president, Board of National Missions; and Herbert J. Osborne, Hanover vice-president



What's ahead for the companies in which you have a financial interest?

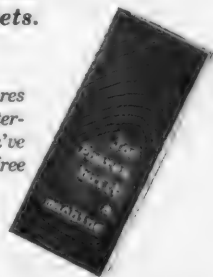
BANKING Magazine (Oct. '52, p. 33) puts it this way . . . "Barring the spread of war and another inflation scare, it will take a lot of old-fashioned selling and advertising just to stay where we are. It would seem a safe guess that the coming year will see a return of sharper competition and a decline in the volume of business that has been coming in through the transom."

To the men who are interested in the profitable operation of a business, the shift from a seller's to a buyer's market points up the urgent need for immediate and long range market planning. Product acceptance must be maintained and expanded. Buyer resistance must be overcome. New markets must be captured.

These vital marketing problems are facing businessmen today. Sound business magazine advertising can be a strong and effective influence in solving these problems. In fact, many marketing functions can be performed faster and at far lower cost by business magazine advertising than by any other method.

THAT IS WHY WE SUGGEST: *If you have a financial interest or responsibility in a company, or are called upon to advise customers regarding investments, always check to see that the company's management is using adequate business magazine advertising to protect and expand its markets.*

We've just published an interesting little booklet entitled, "Joe Phares built a machine." A banker gives some sound advice in this entertaining story with a moral . . . and we have a feeling that after you've read it, you may want some copies for your friends. For your free copy, address your request to Company Promotion Department.



McGRAW-HILL PUBLISHING COMPANY, INC.



330 WEST 42nd STREET, NEW YORK 36, N. Y.



HEADQUARTERS FOR BUSINESS INFORMATION

COLOMBIA

Land of American Opportunity

In the years ahead, few countries in South America will offer U. S. business such broad and vital trade opportunities as Colombia. All signs point to a substantial increase in Colombian travel — export and import trade — development of new industries or expansion of existing local industries.

Progressive U. S. banks and business organizations know these facts — are establishing correspondent relations in Latin America, notably in Colombia. In increasing numbers they are taking advantage of the exceptional and complete banking facilities provided by this 40-year-old institution.

With 29 offices, located in all important commercial centers, trade information is quickly gathered and forwarded to you. Special departments are available to handle your collections and letters of credit.

Inquiries cordially invited.

BANCO COMERCIAL ANTIOQUEÑO

Established 1912

Cable address for all offices — *Bancoquia*

Capital paid-up:	\$20,000,000 — Pesos Colombian.
Surplus:	\$15,000,000 — Pesos Colombian.
Other reserves:	\$3,172,000 — Pesos Colombian.

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C), Barrancabermeja, Barranquilla (3), BOGOTA (3), Bucaramanga, Cali, Cartagena, Cartago, Cúcuta, Girardot, Ibagué, Magangué, Manizales, Medellín (1), Montería, Neiva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez (3).

New York Representative—Henry Ludeke, 40 Exchange Place, New York 5, N. Y.



J. C. McHannan



Roane Hathorn

MAIN STREET (Continued)

opening of The American National Bank's new building in Amarillo, Texas. In connection with the event the bank also issued a booklet entitled "The Story of the American National Bank."

JOHN C. MCHANNAN, chairman of the board of the Central National Bank of Cleveland, was guest of honor recently at a dinner honoring his 60 years with the bank. MR. MCHANNAN celebrated his 80th birthday on October 31. MR. MCHANNAN is well-known through his area not only for his bank connection but for the many civic enterprises to which he has given his efforts. He was one of the originators of the National Air Races and of the Great Lakes Industrial Exposition.

ROANE HATHORN has joined the Rapides Bank & Trust Company, Alexandria, Louisiana, a farm representative. He comes to the bank from the L.S.U. Department of Agriculture.

At Provident Trust Company of Philadelphia, JOHN KEARSLEY MITCHELL has been named a trust officer.

Clearing House Elects

ALEXANDER C. NAGLE, president of First National Bank, New York, was reelected president of the New York Clearing House Association. WILLIAM L. KLEITZ, president of Guaranty Trust Company, was elected chairman of the Clearing House Committee, succeeding WILLIAM G. BRADY, JR., chairman of National City Bank. Other Clearing House officers elected included GEORGE CHAMPION, senior vice-president, Chase National Bank, named secretary to succeed ORIE R. KELLY, vice-president, Bankers Trust Company. J. STEWART BAKER, chairman, (CONTINUED ON PAGE 134)



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VERTICAL SORTERS
SAVE TIME..REDUCE COST



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special indexing

FASTER SORTING...
in perfect order
with less handling!

LeFebure vertical sorters are tailored to fit EACH job. Saves space, saves time, easy to learn, easy to operate and economically priced. Let a LeFebure trained representative study your sorting job and offer a sound, workable solution to your sorting problem. No obligation of course, just outline your problem when writing us.

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CEDAR RAPIDS, IOWA
Most complete sorting line available. Easy rolling stands also available.



Let us help you answer
such banking questions as these:



These questions and many, many more are asked of us almost daily in our relationships with correspondent banks. Should you feel that our background of experience can be helpful we will be glad to work with you on any banking problem you may have.

Sometimes this can be done by letter, telephone, or wire. Or perhaps a personal visit may be better—either here at our bank or by one of us calling on you.

*We will welcome an opportunity to work
with you in whatever way will best fit your needs.*

Continental Illinois National Bank and Trust Company of Chicago

La Salle, Jackson, Clark and Quincy Streets
LOCK BOX H, CHICAGO 90, ILLINOIS
Member Federal Deposit Insurance Corporation



Alexander Mackenzie crossing the Rockies in 1793

After the Painting by Arthur Heming, O.S.A., A.R.C.A.

The Spirit of Adventure

Canada has always been a challenge to the adventurous. Her wealth was hidden, her geography and climate raised obstacles to development. The stories of the men and women who responded are the substance of Canadian history.

Today the spirit of adventure is as strong as ever. But now explorers comb the wilderness from the air with electronic devices for

minerals undreamed of by Mackenzie and his companions in their birch bark canoe. In laboratories, on experimental farms, painstaking research workers penetrate the unknown.

Countless Canadians are helping in the search for better things. Through our more than 600 branches from coast to coast, in the outposts and in cities and towns, we are an integral part of this enterprise.

The Canadian Bank of Commerce

HEAD OFFICE — TORONTO

New York • San Francisco • Los Angeles • Seattle • Portland, Ore.

The OUTLOOK

and CONDITION OF BUSINESS

TIME AND SPACE. The younger generation's predilection for space travel and adventures along the Milky Way has a sort of counterpart in the contemporary vogue of long-range forecasting among business observers and analysts. The latter have developed an astonishing boldness in exploring the 1960s, '70s and '80s and the farther reaches of economic time. There must be interesting reasons for this.

Until recently a year was about as far as any good economist would go in trying to guess the future of commerce and industry. Even these infrequent sorties into the unknown were confined to the period around the first of the year when it has long been the custom for prophets to indulge their fancy with considerable license. At that season everybody has an urge to get out on the same limb and there is plenty of company.

Three good reasons come to mind for the prevailing popularity of long-range forecasting, in addition to the obvious one, that it provides a pleasant escape from the overwhelming uncertainties of the present. One reason, for example, is that more detailed and broader census figures and estimates are available today than ever before.

A second is that economic controls are being gathered more and more into the hands of governments, and this fosters the illusion of a managed or planned economy which can be more precisely measured.

A third, possibly, is the enormous volume of statistical information we have on the library shelves today as a result of extensive research bearing on prospective demand and supply.

An example of the latter is the study of the Materials Policy Commission under the direction of William Paley, president of the Columbia Broadcasting Company. This was issued about the middle of the year, 800,000 words of it, and provided estimates of how much of each basic raw material we would be needing in 1975 with a population of 193,000,000. These data are reckoned on the assumption that we will have possibly a 4½-day work week by that time and that

average productivity will have risen 2½ percent yearly meanwhile.

On many a desk next January's forecasts are already being figured and outlined and they will probably show the influence of this tendency to delve farther into the future. They are likely to have in common a reasonable amount of optimism. In general they will say that defense spending and the constant threat of war will keep business on a high plateau for the first half of the year and perhaps during the whole year. But many of the forecasts will not stop there. They will go on and say what to expect in 1954, 1955, and even 1975, 1980 and beyond.

Most long-range forecasts are based on the assumption of a rising population, rising productivity, rising income, rising everything except, perhaps, the human wisdom necessary to avoid war.

In the lobby of the Department of Commerce building in Washington is a unique and fascinating mechanism which signals electrically, with bulbs of many colors, the constant changes in our population. It records the activities of the Stork, the Grim Reaper, and various other less dramatic means by which people arrive in the country and depart.

On **BANKING's** cover this month is a picture of the population machine and on pages 29 to 43 is a special report on the meaning of population changes as they affect banking and business generally.

There is a flash of the bulbs every 9 seconds to herald a new American baby. Another, every 21 seconds, tolls a silent requiem for someone claimed by death. Other bulbs light up at varying intervals—one every 2 minutes for an immigrant, every 17 minutes for an emigrant.

There is nothing like this in the Treasury Building but it would have similar possibilities. With the Government spending about \$220,000,000 daily for all pur-

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Point of Purchase Merchandising

A Modern Necessity for Selling Bank Services

LEWIS F. GORDON

The author is vice-president of The Citizens & Southern National Bank, Atlanta, and a former member of the Public Relations Council of the American Bankers Association.

PEOPLE buy more with their eyes than any other way. It is much easier to get more business from your own customers than some business from the customers of another bank.

On those two simple facts rests a great merchandising principle which many banks seem to be missing.

Modern banking—mass banking—has brought new thousands of customers into the regular traffic of the bank lobby. The greatest single problem confronting the banks of the nation is a purely physical one—they were not built for modern mass service. As a result we find the biggest construction, remodeling and enlargement program in the history of American banking.

New thousands are using checking accounts, savings accounts, safe deposit boxes and every form of instalment financing. They are customers—yes—but are they customers for *all* the services which the bank has to offer, and they could

use? Are they even aware—do they think when the need comes—of the service which the bank has available to meet their problem? Banks which have central files will find some interesting negative answers to those questions by checking their records. Yet, the big advantage, to the bank, is the fact that those people are coming to the bank, at regular intervals, with a very favorable attitude toward the bank.

What does a department store, any retailer of merchandise, crave? The answer is *customer traffic*. Book reviews, fashion shows, countless alluring programs are devised—to bring people into the stores. Why? Because the smart retailer knows the buying power of the customer's eyes. How many times have you walked into a store for some simple purchase, only to emerge with a fancy new sport shirt, snappy new ties, things you had no intention of buying, until your eyes bought them?

Banks have no fancy colored, enticing new models, but they do have useful services which can be pictured with pithy, sensible comments which give the customers new—and buying—ideas. The Chinese said "One picture worth 10,000 words," and a few well chosen words added to the picture can sow ideas for present or future buying.

The answer then is lobby posters—smart combinations of pictures

and words which leave their impress as they meet the eyes of your daily customer traffic. These posters, available from a number of sources, are completely flexible. They can be mounted on stands, in the center of a large lobby, in a corner near a busy traffic point, on the walls back of the teller stations, on the walls near a service desk. If the bank officer is sold on the idea that posters will sell services, he will find a place to show them.

Undignified? Not at all. Too commercial? A bank is a business house. The customers who come and go are business people, employers or employees or those dependent on people in business. The very banker who might object to smart selling posters as undignified or too commercial would in many cases be the first to criticize a retailer customer as lacking in alertness or good merchandising sense if he failed to make every sensible effort to move the goods on his counters or shelves. Actually the services offered hold real benefit for the customer who can use them. Therefore, the bank is doing a constructive thing in bringing such service to the attention of the customer.

Yes, point of purchase selling is logical, effective and moves millions of dollars of merchandise yearly all over the nation.

Lobby posters are submitted because they are the simplest, most



"The answer is lobby posters. . . . Undignified? Not at all. Too commercial? A bank is a business house."

economical, most basic medium for such selling effort. But there are many other ways to sell or influence your lobby traffic. In one large city, publicity was given to a citizen who, following in the path of the great singer James Melton, had collected a number of old automobiles. An alert bank merchandising man sensed the possibility. A little negotiation placed a 1902 Oldsmobile in the bank lobby. Did it attract attention? Men lay flat on their backs under the car to look at the mechanism. Acetylene lights, the rubber bulb and horn, other antique items, all came in for attention by those who remembered or those who had never seen them.

What was the big focal point for the bank? Automobile financing, of course, with the old car as the attention getter. An appropriate poster made this plain.

Banks introducing the Hopalong Cassidy Savings Club found a big field for imaginative point of purchase selling. All manner of corrals, tellers in Hoppy costumes, even an outdoor ring with ponies for the embryo "Hoppies" to ride—all focussed attention on the bank and its new thrift program for children.

Safe Deposit, for Example

How many customers, not using safe deposit boxes, ever get down into the bank vault? How many of them ever know what a safe deposit box looks like? Why not bring a vault section, or perhaps just a few boxes, of different sizes, into the lobby where the nonusing customers can see them. How many nonusing customers realize that a box can be rented for an entire year at less than one cent a day? Put that kind of a legend on the box, along with a list of things which can be housed safely in the box. "Costs so little, means so much" is a legend which not only applies to the box but also to the display.

Do people notice these things? One bank using large lobby posters made an interesting test. Over a period of time a collection was made of cartoons, the kind of clever cartoons which appear in *BANKING*, and which poke fun at banks and bankers. Out of the collection, the best were selected, mounted on board, photographically enlarged and used to replace the service selling posters in the lobby. The posters carried the heading—"Have a laugh on us."

Did people notice them? Crowds gathered around the cartoon posters, good natured laughing crowds. It was not only attention-getting, it was humanizing. The customers loved it, even came up on the officers' platform to kid their favorite banker and tell about the cartoon that reminded them of him. Beyond all that, the bank had proved conclusively that people did see the posters—all the posters—humorous or service selling.

The extensions of point of purchase selling are limited only by the imagination of the bank promotion man. In one city, the bank, using rented space in a large building, found customer traffic so heavy that it was necessary to move the instalment loan department out of the banking area. A ground floor store was rented, in the same building, but up the street, on the other side of the arcade entrance to the building.

Since it was distinctly separate from the bank, the problem was to identify the new space as the instalment loan department. Again posters came to the rescue. In weatherproof cases, attached to the building on either side of the entrance, the posters not only clearly marked the department, but also sold services of the department to

thousands who passed on the street as well as to those who entered, and the volume picked up as never before.

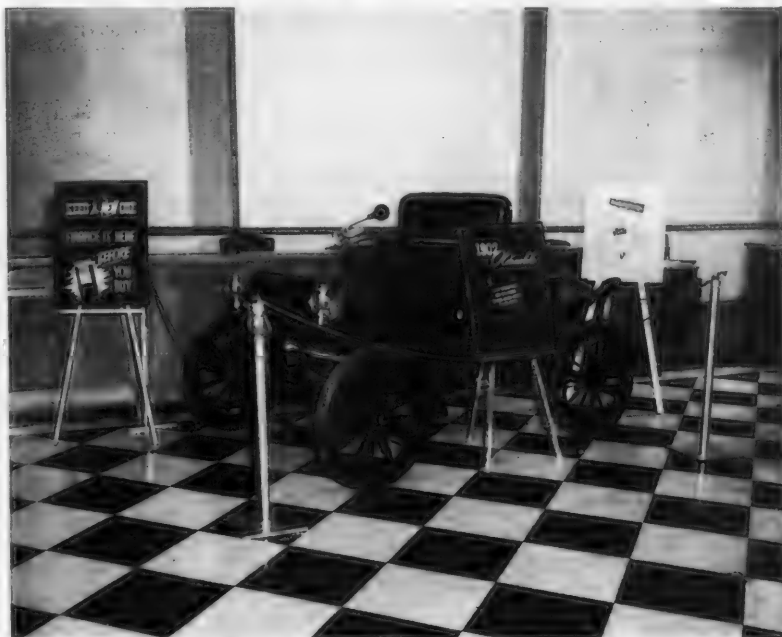
Selling Household Appliances

For banks with instalment loan departments, working with a number of appliance dealers, there are two very workable points of purchase applications, welcomed by the dealers. The first is a decal, placed on the dealer's window or store entrance. It features the dealer's connection with the bank for appliance financing.

The second is even more acceptable, and is point of purchase selling for the bank, even as the customer looks at the appliance he or she is considering. It is a price ticket, placed on each unit of display. The ticket is made on a patented adhesive, harmless to the finest wood or metal finish. It features the bank, of course, but more particularly it places before the buyer the down-payment, monthly payment, total price, and model number. Likewise it brings out the fact that the buyer is covered by life and property insurance during the period of the financing—all this through the financing plan of the bank. Dealers like the tie-in and use them profusely—

(CONTINUED ON PAGE 112)

"A little negotiation placed a 1902 Oldsmobile in the bank lobby. Did it attract attention? Men lay flat on their backs under the car to look at the mechanism. What was the big focal point for the bank? Automobile financing, of course..."



It's the Month Before Christmas

THE Christmas spirit with which a large segment of the nation's bankers are imbued throughout the year in their efforts to serve their communities in many ways rises to unscaled heights at the Yuletide Season—just as it does with people in other pursuits.

During the Holidays, bank lobbies from coast to coast are transformed into great cathedrals with organ concerts of Christmas music and staff choral groups in the banks, on the street, in hospital wards, in the homes of the aged, handicapped, and underprivileged.

In a great many banks the entire staffs join in amassing toys and dressing dolls for children in orphanages and other institutions; buying food and other gifts for distribution to the needy through the Salvation Army and other organizations; and in giving parties—with Christmas trees, Santa Claus, and gifts—for neighborhood children.

This is the season, too, when bank managements show their gratitude to their staffs for work well done by honoring them at banquets and parties and giving them bonuses and awards for meritorious services.

The list of banks that mark the Holiday Season with some community inspirational or betterment programs is endless, but here, in brief, are a few of the 1951 projects, which do not take into account the beautiful potted poinsettias, evergreens, huge wreaths, special lighting effects, etc., which you find in many banks:

Christmas Village is shown annually in the officers' lobby of the Chase National Bank of New York. It was built by the bank's guards in their spare time. This 18 x 20-foot exhibit is built on rugged terrain, and includes a village church and churchyard; a pond with skaters; snow-covered knolls with skiers, sleighriders, waterfall, lighted houses, etc. An electric train, with the necessary accouterments contributes action and a feeling of reality. At one end of the village in 1951 was a Christmas tree and at the other end the Nativity scene, with Wise Men, and shepherds.

Christmas and the 50th anniversary of the Common-

David E. Williams, chairman, Girard Trust Corn Exchange Bank, Philadelphia, *left*, visits the children's ward of Frankford Hospital and watches as the bank's Santa Claus distributes toys and candy. S. Lloyd Moore, president, Frankford Hospital, *right*



Thirty-five hospitals, orphanages, and settlement centers co-operated with the Guaranty Trust Co., of New York, staff last year in distributing 4,300 dolls, games, and playthings. In display in bank lobby, *left to right*, Gloria Carr, of Lord & Taylor (doll dressing contest judge), holds grand prize winning doll, and Claire Rowe, Guaranty doll contest chairman. All dolls were outfitted by GT girls and prize awards were given for the prettiest in seven categories

wealth Trust Company, Pittsburgh, were celebrated last year with a dinner for the bank's 250 employees. The recipe for a three-tier birthday cake included a \$50 bill and 12 50-cent pieces. There was keen rivalry over who would get the slices containing the money.

A giant free Christmas party for 2,500 handicapped and underprivileged youngsters was given at a local theater by the South East National Bank of Chicago. After receiving candy and gifts from Santa (President Clarence A. Beutel), the kids saw a feature "thriller" and three sports shorts.

There is general agreement among bankers participating in these Christmas festivities that the goodwill engendered is immeasurable, but in the last analysis the giver reaps the largest measure of joy.

City National Bank of Oklahoma City, Oklahoma, turned back the clock 2000 years with this Nativity scene in its lobby to depict the true meaning of Christmas. Vice-president Dan W. Hogan, Jr., gives credit for this display to his secretary, Eleanor Jensen



How CENSUS Trends Affect BANKING

One of the biggest statistical jobs in the world is performed by the United States Bureau of the Census. The results of that stupendous head count—the most complete national inventory to be found in any country—can be of inestimable value in such varied fields as consumer credit and the manufacture of children's shoes. In the pages that follow, the head of the Census Bureau outlines the wealth of material available, and experts offer some interpretations applicable to business and banking.

OVER 200,000 NEW CUSTOMERS MONTHLY

IMPACT ON BUSINESS GENERALLY

HOW CREDIT MAY BE AFFECTED

BANK ADVERTISING AND THE CENSUS

POPULATION AND SAVINGS

WHERE TO LOOK FOR NEW TRUST BUSINESS

CHANGING AGRICULTURE

ROY V. PEEL

ROY A. FOULKE

A. ANTON FRIEDRICH

JOHN B. MACK, JR.

D. JAMES PRITCHARD

GILBERT T. STEPHENSON

JESSE W. TAPP

(Pertinent maps and tables appear on page 43.)

¶ Roy V. Peel is director of the Bureau of the Census . . . ¶ Roy A. Foulke is vice-president of Dun & Bradstreet . . . ¶ John B. Mack, Jr., is deputy manager of the American Bankers Association in charge of the Advertising Department . . . ¶ D. James Pritchard is vice-president of the Society for Savings, Cleveland . . . ¶ Gilbert T. Stephenson is a nationally known authority and writer on trust subjects . . . ¶ Jesse W. Tapp is executive vice-president and economist of the Bank of America NT&SA, San Francisco.

Over 200,000 New Customers Monthly

ROY V. PEEL

Roy V. Peel



THE 1950 census by all odds is, as of now, the biggest statistical job in the country's history. This census measured the distribution, composition, and characteristics of a grand total of 150,000,000 Americans, the location and condition of their 45,000,000 dwelling units, and the size, production, inventories, and facilities of the nation's source of food—the 5,500,000 agricultural enterprises in the United States. This census brings a substantial addition to the sum of knowledge about the activities and resources of the population ascertained in the 1948 Census of Business and the 1947 Census of Manufactures, which assembled data on 3,000,000 business enterprises. The Censuses of Business and Manufactures will be repeated in 1954, at which time a Census of Mineral Industries and a Census of Transportation also will be taken.

The principle of an enumeration of the population at regularly recurring intervals was instituted in ancient Rome, 25 centuries ago. From that practice comes the modern word "census." As an American institution, the census has its foundation in the Constitution. Today, because of the public demand for more and more information to meet the complex problems of our society, the Decennial Census of the United States and the many other censuses and surveys conducted by the Bureau of the Census have broadened in scope and increased in detail far beyond the initial enumeration in 1790.

As it is now constituted, the Census Bureau ranks as the nation's chief statistical agency. The Census Bureau not only carries out perennially a comprehensive series of censuses but also makes annual, quarterly, and monthly surveys (1) to measure trends in the growth and movement of the population, (2) to measure changes in the labor force with respect to its size and its condition of employment and unemployment, and (3) to measure trends in trade and industry. The Census Bureau also maintains a complete record, by United States customs districts and ports, of the kind and value of exports by country of destination and of imports by country of origin. In addition, the Census Bureau performs statistical services for other Government agencies and for private businesses on a cost basis.

Unique Coverage of the Census

Only the full-scale national censuses supply detailed information for the 3,103 counties, the 17,118 incorporated places of all sizes, and 1,430 unincorporated places of 1,000 or more inhabitants, and to a lesser degree for some 50,000 other minor civil divisions of the country. The census reports published for these areas provide the complete data which the individual banker finds useful in studying the components of the population and businesses and industries in the area served by his bank. In addition, the Census Bureau's intercensal surveys, which are made on the basis of a scientifically chosen and controlled sample, collect current trend information for broader topical and geographical areas. These trends data furnish banking leadership with references for evaluating general conditions to confirm its judgment and guide decisions in banking operations.

The 1950 Census of Population has not revealed anything in the way of sensational news for the headline writers. But the facts which have been tabulated have given a more exact measure of the total extent of trends that were already under observation. The detailed reports of the 1950 census define the changes which have occurred in local areas as part of the national transition, and it is to these detailed reports that the attention of bankers is directed.

The 1950 census shows that the mass movement of population to the West has continued. For 100 years, the West has led the other major regions of the country in the rate of population increase. Between 1940 and 1950 the West also led in total numerical gain. The South, the North Central Region, and the Northeast followed, in the order named, with respect to population increases shown during the decade.

Of the 19,000,000 population increase in the nation during the last 10 years, 5,700,000 occurred in the

A SELECTED LIST OF 1950 CENSUS REPORTS RECOMMENDED TO BANKERS

POPULATION REPORTS—

Series P-A, a bulletin for each state presenting statistics on the distribution of the population by areas within the state.

Series P-B, a bulletin for each state presenting statistics on general characteristics of the population for areas in the state.

Series P-C, a bulletin for each state presenting statistics on detailed characteristics of the population for areas in the state.

HOUSING REPORTS—

Series H-A, a bulletin for each state presenting statistics on the general characteristics of housing for areas within the state.

Series H-B, a bulletin for each of 162 Standard Metropolitan Areas presenting statistics on characteristics of nonfarm housing.

Block Statistics, a bulletin for each city of 50,000 or more population, presenting statistics on characteristics of dwellings in each block in the city.

AGRICULTURE REPORTS—

Series AC50, a 4-page leaflet for each county presenting statistics on farms, farm characteristics, farm inventories, and production.

Volume I (in parts), a bulletin for each large state, and consolidated bulletins for some states, presenting statistics for all counties assembled under one cover.

West, 5,500,000 in the South, 4,300,000 in the North Central Region, and 3,500,000 in the Northeast. While the rate of population increase for the whole country amounted to 14.5 percent, the rate in the West was 40.9 percent; the South, 13.3 percent; the North Central Region, 10.8 percent; and the Northeast, 9.7 percent. While the West's rate of increase was nearly three times that of the country as a whole, the rates for the other three major regions were below the national rate.

Today, a greater proportion of the population lives in the 168 Standard Metropolitan Areas, which are composed of central cities of 50,000 or more population lying within the one or more counties which constitute these socially and economically integrated areas. Of the national population increase of 19,000,000, 15,200,000, or four-fifths of the total, may be credited to these metropolitan areas. However, within these areas the numerical increase and rate of gain for the central cities was only 6,000,000 and 13.9 percent, while the numerical increase and rate of gain for the remainder of the metropolitan area outside the central cities was 9,200,000 and 35.5 percent. In other words, 40 percent of the population increase in the metropolitan areas was in the central cities and 60 percent was in the remainder of the metropolitan area outside the central cities. Thus, it is evident the rate of growth for the larger cities is slowing down while that of their suburbs has been accelerated. Substantial evidence of

this movement to the suburbs was given by the 1948 Census of Business, which revealed that the proportion of retail sales in the 32 largest metropolitan areas had shown a decrease in the central cities and an increase in the area outside the central cities.

As the cities have grown, the population on farms has continued to go down. In 1930, the peak farm population was 30,400,000. By 1940, the farm population had declined slightly to about 30,200,000. In 1950, the farm population was about 23,300,000, a decrease of about 7,000,000 in two decades. Whereas in 1930 the farm population constituted one-fourth of the total U. S. population and in 1940 well over one-fifth of the national total, in 1950 the proportion of the farm population was down to a little over one-sixth of the whole. The fact that one-half of the counties in the United States lost population during the 1940-1950 decade is chiefly the effect of the farm population decrease.

Local Population Concentrations

The banker who may desire to study the data on changes in the concentration of population within local areas will find useful the Series P-A Census of Population bulletin for his state. Copies of these bulletins and of other census publications may be purchased from the Superintendent of Documents of the Government Printing Office, Washington 25, D. C., or from field offices of the U. S. Department of Commerce.

In addition to the changes noted in the distribution of the population, the 1950 census revealed many important facts about the composition and characteristics of the population.

Contrary to long-range forecasts of 10 years earlier, the proportion of children under 10 years of age in the total population increased from 16.1 percent in 1940 to 19.6 percent in 1950. The great surge in the marriage rate and the birth rate during and after World War II was responsible for this acceleration. One result of this increase in the number of children is the overtaxing of school facilities in many parts of the country. Knowledge of the degree to which this is true in individual communities and the extent to which additional school needs will prevail through the coming years is important to the local banker who has any responsibility or power of decision for financing these school needs.

Proportion of Older Persons

At the other end of the population age-groupings, the 1950 census revealed an increase in the proportion of persons 65 years of age and over. In 1940, the ratio of these older persons to the whole population was 6.9 percent and in 1950, 8.2 percent. Likewise, the proportion of those in the 50-to-64 years age-grouping increased from 13.5 percent of the whole population in 1940 to 14.2 percent of the whole population in 1950. At the same time, the proportion of those in the preferred labor force age-grouping of 20 to 49 years of age decreased from 45.2 percent of the whole population in 1940 to 43.3 percent of the whole population in 1950.

Even more marked was the decrease in the proportion of those in the 10-to-19 years age group from which the new additions to the labor force will come during the current decade. In 1940, the proportion of

the whole population in this age group was 18.3 percent; in 1950, this proportion had dropped to 14.6 percent of the whole population. Most of the decline in this segment of the population is attributable to the braking force of the Depression Thirties on marriages and the resultant slowing down of the birth rate. Whereas the national population gain of 19,000,000 in the 1940-1950 decade brought an increase in actual numbers of persons in all other age groups, there was an actual decrease in numbers of those in the 10-to-19 age group of nearly 2,000,000. What the local situation may be in regard to the labor force potential is important to bankers who are concerned with bringing in new industries to their communities.

The Total Labor Force

With respect to the total labor force, the number went up from a little under 53,000,000 in 1940 to 60,000,000 in 1950, an increase of about 7,000,000 or 13 percent. Of the total labor force in 1940, 85 percent were in civilian employment, 14.4 percent were unemployed, and 0.6 percent were in the armed forces. Comparable, but still preliminary, data for 1950 were 93.7 percent in civilian employment, 4.9 percent unemployed, and 1.4 percent in the armed forces. In 1950, there were about 11,000,000 more employed than in 1940, and the total number of unemployed had decreased to 2,900,000 from 7,600,000 in 1940.

During the 1940-1950 decade, the hitherto constant but over-the-long-term diminishing excess of males in the population was reversed. In 1950, the excess of females over males was about 1,500,000. Only in the farm population was there an excess of males. The widest margin in favor of females was in the larger cities of the country, but this condition is not new in that an excess of females over males has been reported for several decades in many large urban places. Along with this excess in females, there was an increase in the proportion of females in the labor force from 24.3 percent in 1940 to 27.4 percent in 1950. However, at the peak of wartime employment in the middle Forties, the proportion of women in the civilian labor force reached an all-time high of 35 percent and the proportion of women in the total labor force was 29.4 percent.

Occupational Data

With respect to the proportion of employed persons engaged in selected major occupations, the 1950 census reported 12.8 percent of the total engaged in agriculture as compared with the 1940 census figure of 18.7 percent. Consistent with the decrease in the farm population is the decrease in the proportion of employed persons engaged in agriculture among persons employed in all industries.

Two other major industry groups to experience a declining ratio in the proportion of all employed persons were the service trades group, with a 21.6 percent share in 1950 and 22.5 percent in 1940, and the mining industry, with 1.7 percent in 1950 and 2 percent in 1940.

Comparable 1950 and 1940 data for other major industry groups, each of which experienced a gain in the proportion of all employed workers, were retail and wholesale trades, 18.6 percent and 16.8 percent; manufacturing, 25.3 percent and 23.6 percent; construction, 6.2 percent and 4.6 percent; and transportation,

communications and other utilities, 7.6 percent and 6.9 percent. The proportion of employed persons in all other industries was 6.2 percent in 1950 and 4.9 percent in 1940, also an increase.

In addition to the kinds of information from the 1950 census cited in the preceding examples, the data on population characteristics cover such items as color and race, marital status, school attendance, number of years of school completed, incomes of families and of unrelated individuals, nativity, and citizenship, and others.

Population Characteristics

The banker who wishes to examine the data on characteristics of the population in his area should consult a copy of the Series P-B, Characteristics of Population, and Series P-C, Detailed Characteristics, bulletins for his state. These also may be obtained from the Superintendent of Documents or from field offices of the Commerce Department.

Like the Census Bureau's population reports, a series of publications will present the 1950 Housing Census data for states, counties, cities, and other subsidiary areas. In addition, a series of individual reports, one for each city of 50,000 or more population, will present housing data by blocks, while another series of individual reports will present the housing data for each one of the 168 Standard Metropolitan Areas.

The 1950 Housing Census revealed that there were nearly 46,000,000 dwelling units, an increase of about 8,500,000 over the 1940 count of 37,300,000. The proportion of owner-occupied units had risen to 55 percent of all occupied units in 1950 as compared with 43.6 percent in 1940, while the proportion of renter-occupied units had decreased to 45 percent in 1950 from 56.4 percent in 1940. The number of owner-occupied units increased by 54 percent and the number of renter-occupied units had decreased by some 3 percent during the decade.

Among 17,700,000 owner-occupied nonfarm dwellings of 1-to-4 units, 56.4 percent were free of mortgage and 43.6 percent were mortgaged in 1950. Of 11,400,000 dwellings in the same category, 54.7 percent were mortgage-free and 45.3 percent were mortgaged in 1940.

New Home Potential

As a measure of the potential for additional new home construction it may be noted that while the whole number of dwelling units increased by 8,500,000, the number of married couples living doubled-up in the households of others still totaled nearly 2,300,000 in 1950. Although some of these couples may not have established their own households for economic or other reasons, most of them are in the potential market. Since 1950 the rate of new construction has been closely paced by new marriages, but a strong reserve of prospective homebuyers remains.

Several series of bulletins of the Census of Housing present local housing data. The Series H-A bulletins, one for each state, present data on occupancy characteristics, structural characteristics, condition and facilities, equipment and fuels, and financial characteristics of nonfarm dwelling units by states, for standard metropolitan and urbanized areas, incorporated places

and unincorporated places of 1,000 or more population, counties and the urban and rural parts of counties. The Series H-B bulletins, one for each Standard Metropolitan Area, present similar data for these areas and for all cities of 100,000 or more population within the areas. Another series, entitled *Block Statistics Bulletins*, presents the housing data, by blocks, for each city of 50,000 or more population in the country. In addition, for 62 cities, an individual *Census Tract Bulletin* presents combined population and housing data.

The third of the major censuses of 1950 was the Census of Agriculture, which in many ways may hold the most interest for the small-town banker. While the metropolitan banker is watching the growth of population and business in the suburban areas with respect to the establishment of branch banks and the financing of new suburban business and construction, the country banker is watching closely the changes in agriculture. With the increase in the total land in farms and in the average size of farm, the greater mechanization of farms and the multi-billion dollar scale of farm income and expenditures, the production of food for a human population that is growing at a rate of 220,000 a month and 2,700,000 a year offers a challenge not only to the farmer but to his banker.

Farm Data

The 1950 census enumerated 5,400,000 farms as compared with the 1940 total of 6,100,000 farms. The total land in farms in 1950 was 1,159,000,000 acres, an increase of 78,000,000 acres from the 1940 total of 1,081,000,000 acres. The average size of farm went up to 215 acres in 1950 as compared with 174 acres in 1940, while the average value of land and buildings per farm rose to \$14,000 in 1950 from \$5,500 in 1940.

The value of all farm products sold in 1949 was \$22-billion as compared with nearly \$10-billion in 1940, an increase of \$12-billion. Two in five farms reported total sales of products amounting to \$2,500 or more in 1949, whereas only one in 10 farms reported sales of \$2,500 or more in 1940.

In 1950, 73 percent of the farms were operated by owners, which represents a very substantial increase from 1940, when 61 percent of all farms were operated by owners.

As to farm mechanization, the farm censuses reported 2,500,000 farms with a total of 3,600,000 tractors in 1950 as compared with 1,400,000 farms with 1,600,000 tractors in 1940; and 1,800,000 farms with 2,200,000 motor trucks in 1950 as compared with 944,000 farms with 1,000,000 motor trucks in 1940. Three out of four farms had electricity in 1950 as compared with only one in three in 1940.

Farm Census by Counties

The Census Bureau has issued a preliminary report of the 1950 farm census for every county in the United States. In addition, these county reports now are being consolidated in state bulletins, copies of which may be purchased from the Superintendent of Documents and Commerce field offices.

Within the space limitations assigned to this presentation of an outline of the kinds of information available to bankers in reports of the 1950 census, it has not been possible to cover everything. However,

these lines should give the banker an idea of the extent to which the Census Bureau is a statistical treasury on which he can draw at will. A mere catalog of all available reports, not only on population, housing and agriculture, but also on manufactures, retail and wholesale trade, service industries, and many other subjects would run into many pages of type. The Census Bureau issues a quarterly, cumulative catalog of all its published reports, supplemented by a monthly list of

publications issued. This may be obtained from the Superintendent of Documents by subscription for \$1.50 a year.

In the column on page 30 there is presented a selected list of census publications recommended to bankers as valuable sources of data for their local areas. If in his evaluation of these data the banker finds it necessary to call on the Census Bureau for assistance, every effort to be helpful will be made.

Impact on Business Generally

ROY A. FOULKE

IN 1951 a volume written in a readable style, *Human Fertility, the Modern Dilemma*, by Robert C. Cook, was published. The central theme of this volume is that the world is rapidly filling up with human beings, that there are no longer any large open spaces into which the growing population may easily "spill," and something had better be done about it—and done quickly.

Early this year, a volume, written only after the most painstaking scientific research, entitled *The Geography of Hunger*, by the Brazilian, Josué de Castro, was published. According to de Castro's research, while the population of the world is rapidly increasing, no physical difficulty is involved in doubling or redoubling the world supply of food. The only practical limitations to food production are the amount of capital and labor human society is willing to devote to it.

The underlying theses of these two volumes provide a unique contrast. Both authors, however, start from the same basic fact, that in recent years there has been a tremendous growth in world population. The United States in the past 10 years has made its contribution in this field as well as in atomic research, synthetic fabrics, and antibiotics. Between 1940 and 1950 our population increased 19,036,000, or 14.5 percent. This is the largest numerical increase in any 10-year period in our history. From the viewpoint of the businessman, this all-time record increase in our population may be considered from two viewpoints, the changes which have been brought about in age groups, and the changes which have been brought about in geographical areas. Let us analyze both viewpoints.

Analyzing the Age Groups

We can look at the distribution of population by age groups from two angles. First, we can ascertain the number of individuals in each 5-year age group in 1940 and again in 1950, and notice the shifts and changes. Then, we can look at the percentage of the total population represented by each 5-year age group in 1940 and again in 1950, and ascertain the shifts and changes here.

One of the tables on page 44 gives the population by age groups for 1940 and 1950, with the numerical

and the percent changes between these two dates. It will be noticed that the increase in population is spread unevenly among the groups. The greatest percentage changes in the population by age groups occurred in both the young and the old. Events sometimes take a little while to assert themselves, but it is now evident that the depression years of the Thirties have found their way into the vital statistics of the nation. During the depression years, marriages were delayed and families were smaller. It is almost as though a hole had been bored in the population table in the three groups, 10 to 14 years, 15 to 19 years, and 20 to 24 years.

Also shown in the table are the percentages of the total population in 1940 and in 1950 represented by each 5-year age group. In this table, if we may continue our simile, a larger hole has been bored through the center. These figures emphasize the same point, the increase in the size, both numerically and percentage-wise in the "young" and the "old" in the 1950 census compared with the 1940 census. From the viewpoint of the businessman, the needs of the young are outstanding, the under-five-year group is over four times as large as the 75-years-and-over group, and the five-to-nine year group is almost four times as large as the 70-to-74-year group. We have an expanding market for the "old" but the market for the needs of the "young" is several times greater.

Roy A. Foulke



In 1950 there were 40,926,000 children under 15 years of age compared with 32,970,000 in 1940. In 1950 there were 12,322,000 people 65 years of age or over compared with 9,018,000 in 1940. In 1870 only 2.9 percent of our population was 65 years or over, while in 1950 it was 8.2 percent. Both men and women are living longer than any time in our history, although in the 65-year-and-over category women are out-living men by 116 to 100.

What do these shifts in population mean to the businessman? They mean increased demand for food, clothing, shelter, and the luxuries of life to fill the needs of the young, and the needs and desires of the old. They mean greater demand for more popcorn and candy, cigarettes and rouge.

The first thing many youngsters do when they jump out of bed is put on their Hopalong cowboy suits with six-shooters hanging from their belts. All day long they wear these clothes and when at night it is time to go to bed they resist because they are reluctant to take off their cowboy togs. It was finally discovered that the transition from wearing a Hopalong outfit all day and into a run-of-the-mill pajama was just too much to ask kiddies to take. So, someone came up with the idea of Hopalong pajamas which kept Hoppy close to the youngster.

The effect of Hopalong Cassidy, Roy Rogers, and Gene Autry on young America during the past decade has been nothing short of amazing. It has become a multimillion-dollar business for a wide variety of apparel and accessories manufacturers. But one of the reasons for the growing importance of these men on the range is the growth in the "young" population.

Children as Consumers

Let us look at some of the ways that the growing child market has affected industry. First of all, more children have their own rooms than at any other time. Especially among the very young, the decoration of the room has come to be considered important by many parents. Wallpaper gayly colored with elephants or Mother Goose characters covers the four walls. The room is equipped with furniture for the child. Television and radio have made junior conscious of what he eats and wears and uses, soup, cereal, toothpaste, and six-shooters.

Between the magic hours of five and six every evening, the ether is filled with messages almost entirely for junior's consumption. Cereal manufacturers and candy makers are capitalizing on this fact. Moreover, more children mean more schools, more teachers, and also more pencils, books, paper, erasers, and school lunches.

In the 1950 census there were 6,931,000 more people over 50 years of age than in 1940, and 3,304,000 more over 65 years of age. The consumption pattern may not be radically altered by this group but the total volume consumed by this increased population of oldsters is substantial. Progressive stores are beginning to minimize walking distances. More health food is being consumed. There is a greater demand on the expanding cosmetic industry by the fair sex. More old people are on the road seeing the country and it is the motels which are providing the services.

Geriatrics, the scientific study of the illnesses of old

age is covering a steadily increasing area of service. Pediatrics made its great progress from 1910 to 1920, and it is certainly time that corresponding attention was given to the other end of the population scale. Here is a constantly expanding market for the physician specializing in the illnesses, real or fancied, of those who have come well up the milestone pathway.

Another table on page 43 gives the population by the nine well known geographical areas of the country. Each area shows an increased population between 1940 and 1950. It will be noticed, however, just as in the age groups, that the increases in population spread unevenly. The smallest increase of 4 percent is shown by the West North Central States, and the next smallest of 6.5 percent by the East South Central States. The largest increase of 48.8 percent is shown by the Pacific Coast States, the second largest of 22.3 percent by the Mountain States, and the third largest of 18.9 percent by the South Atlantic States.

The percentages of the total population in 1940 and in 1950 represented by each area are also shown. Three areas, the Pacific Coast, the Mountain, and the South Atlantic States, have a greater proportion of the population in 1950 than in 1940 and the East North Central States is unchanged at 20.2 percent. Each of the other five areas had a smaller proportion of the total population in 1950 than in 1940.

These data emphasize the tremendous actual and relative growth which has taken place in the West and the Southeast. These are the areas in which there has been unprecedented growth in the number of business concerns of all types, sizes, and characters. In the South Atlantic States the expansion has been particularly strong in the lumber, textile, apparel, food products, and chemical industries; in the Mountain States in the lumber, mining, food products, paper, and fabricated metals industries; and in the Pacific Coast States in aircraft, lumber, food products, and in Los Angeles in sports apparel.

It is likely that both have been cause and effect; the increased population has brought increased business to these areas, particularly retailers, wholesalers, and services; and expanding businesses, particularly new manufacturing plants, have brought increased population to these areas.

How Credit May Be Affected

A. ANTON FRIEDRICH

IT may be true, as Roy Peel suggests, that the 1950 census does not disclose anything to make newspaper headlines. Nevertheless, it is not without its dramatic touches. At the very least it brings a sharp note of warning to those who project their forecasts too far ahead, who are too quick in converting the events of the moment into the trends of the future.

Consider the fate of the economists who forecast a future of economic stagnation on the basis of what was happening in the 30s. The economy of the United States had reached a state of maturity, they said; it was no longer an expanding, dynamic economy. Population, they pointed out, had almost ceased to grow. That was true of the 30s. The likelihood of important new industries arising and of significant technical advances occurring was small.

That was true of the 30s. But it was not true, as the census vividly reveals, of the 40s.

We shall not dwell on the new industries, the tremendous technical advances of the 40s for they are not germane to our discussion. Considering the increase of population alone, we note that the absolute increase in population in the 40s was greater than for any decade in American history, that it was more than twice as great as the increase for the 30s. If the increase of population is a dynamic factor, then the 20-million addition to the population of the United States during the 1940s must be credited with at least a touch of dynamism.

The increase in population of the 1940s is approximately equal to the combined population of the eight largest cities in the United States. It is one half the size of the population of France and approximately two-fifths of that of the United Kingdom. The market potential of the children of the 40s when they reach their productive ages in the 60s and 70s is immense. Considering the number of households they will establish, the number of cars and appliances they will regard as necessities, it may be predicted with a large measure of confidence that the now record totals of mortgage and instalment credit will then seem small in comparison.

All this the census suggests as the possibilities of the decades that lie ahead. But what of the 50s? What indications does the census of population of 1950 offer us as to the possible developments in the remaining years of the present decade?

The answer indicated in the 1950 census, if we pay attention only to the quantitative increase of population, is not too bright a one. In fact, it is a rather dark one and suggests that critical years lie ahead. The birth rate during the 1930s was extremely low. The births minus deaths resulted in a relative increase of population lower than that of any decade since the beginning of census taking in the United States. The absolute increase in population was lower than for any decade since the 1880s.

It is the children of the 30s who will marry in the 50s. The number of females reaching the marriageable age is declining now and will continue to decline more sharply until the last few years of the decade. It is these new family formations which supply much of the impetus of additional demand for new houses. The rising curve of new family formations, which was one of the more striking characteristics of the past decade, is now moving downward and promises to continue to do so for some years to come. Aside from economic and other reasons which affect the disposition to establish families and households and to assume responsibility for children, the annual increment of new families and new households will shrink because the number who are

A. Anton
Friedrich



entering the marriageable ages will decline each coming year until near the end of the decade.

This means that the annual increment of demand for rental accommodations, for new houses, for the appliances and furnishings to equip the new households will decline also, unless there are compensating factors. This means also that, holding all other factors equal, the additional demand for mortgage and instalment credit will be less than it otherwise would be. Thus the population blight of the 30s casts its shadow on the events of the 50s.

But more is involved than a possible decline in the demand for new houses or for mortgage or instalment credit. The housing industry is a major component of the construction industry, the construction industry is in turn a major component of the economy. In fact, so important is the construction industry that some economists have considered the major fluctuations of business activity as the reflex of the construction cycle. To the extent that this is true, a decline in the construction industry as a consequence of a decline in demand for new houses may have repercussions throughout the economy.

The census of population as summarized by Mr. Peel in his article for BANKING cites an important qualification to the line of reasoning given above. He points out that foreign population declined very sharply during the 40s and that the number of farmers and the population on farms were less in 1950 than in 1940. If there were a simple mathematical relationship between population trends, and the magnitude of market demand, rural markets should have been in a severely distressed state during the 40s.

The opposite was true. The rural market expanded greatly. The reason is obvious. The farmers were relatively better off. They had more money to spend and, in their case, on relatively more favorable terms. They increased their investments in their farms. They bought hay bailers, corn shredders, corn pickers, tractors, and other newfangled implements. In short they mechanized their farms. They electrified their barns and their homes and bought refrigerators, television sets, deep freezers, and electric stoves. The farmers, although fewer in number, increased their buying to an extent which more than offset any effects in the decline in the farm population.

A general increase in the productivity of the economy, this suggests, could be an offset to the deflationary effects of the low birth rate of the 30s. By an increase of productivity I mean the ability of the economy, of its producers and distributors, to provide more goods, more goods in quantity and in variety, to more people at lower real cost. A general increase in productivity depends upon many factors. It depends upon technical developments, upon the rate of new inventions and their application to manufacturing techniques. It depends upon the rate of new capital investment, how quickly business managements discard obsolete equipment and substitute the more efficient new. It depends upon the attitude and policies of organized labor; upon the policies of government, particularly with respect to business taxes. It depends on more subtle psychological matters, whether the climate of opinion is pessimistic or optimistic.

It would be folly, of course, to forecast that the developments indicated above will actually occur. All that one can say at the moment is that they did occur in the 40s with respect to the farmers. If there should be in the remaining years of this decade a significant increase in general productivity, then the falling curve of new family formations could be absorbed by the larger volume of purchases of the already established family units.

The population movements of the 40s show certain characteristics which are sometimes referred to as offsets against the possible consequence of the declining rate of new family formations. During the 40s there was very definitely a tendency toward decentralization. As Mr. Peel points out, the population of suburban areas increases at a rate several times greater than the very modest increase in population of the metropolitan centers. When people move into new areas where existing dwellings are not available, the demand for and the building of new houses obviously is stimulated. The increasing population of the suburban areas not only steps up the rate of new home construction, but also involves new commercial buildings. A striking feature of the 40s was the development of distribution or shopping centers in what was formerly the open countryside. Again referring to Mr. Peel's article, the rate of increase in retail sales in the outlying shopping areas was much greater than the increase in retail sales in the metropolitan centers.

This trend will probably continue through the 50s.

The increase in population of the 1940s is approximately equal to the combined population of the eight largest cities in the United States. It is one half the size of the population of France and approximately two-fifths of that of the United Kingdom. The market potential of the children of the 40s when they reach their productive ages in the 60s and 70s is immense.

To what extent, however, the mere continuance of the trend will seriously offset the declining rate of family formation is questionable. It is only if the trend should be accentuated that any significant offset would appear, and this seems unlikely.

From the point of view of the banking community this trend has another implication, however. It accounts in part for the rapid expansion in branch banking which has occurred. It also suggests that the volume of business done by the banks in the suburbs or by the unit banks located there will show a relatively favorable record.

Regional Growth

A similar interpretation can also be made of the trend toward a more rapid growth of population in the South and West than in the northwest and north-central regions. But again, as in the case of the decentralizing trend, the movement of population to the West has existed for a considerable period of time and it is a significant factor so far as the volume of construction is concerned only if there is an acceleration of the trend during the 50s. This also is certainly not a development upon which one can count and which has the definiteness and certainty that the birth record of the 30s has.

What does all this mean to the banker? It does not mean the disappearance of mortgage credit or instalment credit. It does not mean a degree of economic decline which impairs seriously the security of outstanding credits. It will more likely mean that the demand for mortgage credit and instalment credit will increase much less rapidly than in the 40s. It may mean that instalment credit totals as they now stand in relation to the national income are close to their ceiling.

Bank Advertising and the Census

JOHN B. MACK, JR.

EVERY bank has a logical "trade" or "service" area. This is the geographical territory which, due to location, character of the people and firms, or other reasons, forms the effective market for the bank's services.

To serve well, and certainly to advertise intelligently, a bank should know a great deal about the people—and the business firms—that make up its community. And the 1950 census is a gold mine of such information.

Sweeping changes have taken place in some areas. And even the keenest observer can be unaware of the true nature of these changes unless he has statistical data to bear out his opinions. For example, since the

war, whole sections of the country have changed because of heavy migration of population. A suburban community that was peopled mainly by high-income families is converted to a middle- or low-income area by heavy low-cost building developments around its perimeter. A bank that keeps advertising to the well-to-do as though nothing had happened (and some do) is missing the mark.

Another community is having a heavy turnover of population, although the total remains fairly constant. Yet many banks in such situations keep advertising as though talking to a group of "native sons" who know all about the institution and need only a reminder to activate them. You can safely bet that some other financial competitors—loan companies, savings and loan associations, and others—are in there, welcoming the parade of newcomers and winning their patronage.

The great increase in the proportion of children under 10 years of age to nearly one out of every five in the total population can have a bearing on long-range planning. Records show that competition in the savings field, for example, has been attracting the savings of a large majority of new savers. This trend, plus the growing proportion of youngsters who are ready to take their first savings steps, poses a problem of thrift leadership. This problem will always be present, but it is accentuated in this period when the heavy birth rate of the early and mid-1940s is apparent in a large crop of new savings prospects. Added emphasis on school savings, and thrift in all forms for young people, is strongly indicated.

For the Older Groups

Simultaneously, at the other end of life's scale, the proportion of people over 65 is also moving up. It is now nearly one out of every 12. Not much bank advertising is directed at this group. But the growth of pension plans, life insurance, personal savings, savings bond purchases, and social security, has given many of these mature men and women financial security. It may well be that they are a neglected market for checking accounts, safe deposit boxes, savings accounts, and other bank services. They are a growing part of the population and should not be disregarded.

Some more obvious types of usable information have to do with racial characteristics of the local population, educational background, and family income levels.

Also of direct application to bank planning are the detailed facts about local housing. The detailed block-by-block data for cities of 50,000 population or over will provide city banks with the finest kind of information on which to base mortgage lending and modernization loan plans. The increase in owner occupancy is significant in terms of repair and modernizing activities. Also important locally is the data that indicates the potential market for new homes.

The 12,000 banks that serve agricultural areas can well afford to take time to study the 1950 Census of Agriculture. In this area we find a trend toward fewer but larger farms, a great increase in mechanization, and greater farm incomes.

This agricultural data is available for every county in the United States. County key bankers would be performing a valuable service to local banking if they

John B. Mack, Jr.



made a point of getting copies of data for their counties and states, analyzing the information and making a report to local banks. Not only could these data have an important bearing on business development plans of country banks, but the information might also form the basis for improving present services for farmers and maybe adding some new ones.

The Growing Proportion of Women

The growing proportion of women in the total population and the increase in the percentage of employed women indicate that banks should give more attention to advertising directed to women. Women are becoming increasingly interested in all phases of money and its management, including personal money management, future protection for the family, use of bank services such as checking accounts and loans, and even broader economic phases of the subject. The growth of bank-sponsored finance forums for women is one indication of this growing interest. Banks, in their advertising, may find it increasingly effective to aim appeals directly at housewives, business and professional women, and women workers in all of the many fields in which they have demonstrated that woman's place is no longer only in the home.

As Roy Peel points out, the process of change goes steadily on—not dramatically, but remorselessly. Like the great currents that flow in the ocean, these changes take place without much surface evidence. But the advertiser who ignores them will find himself losing touch, mysteriously dropping in business volume and profits, wondering why things aren't as good as they used to be.

While endless hypothetical cases can be developed to illustrate the possible effects of change, it is not practical to make specific suggestions that would fit any large number of banks. There is one basic suggestion, however, that applies to all. That is to get copies of available census data for your area.

The bulletins mentioned for obtaining local data, namely *Series P-B, Characteristics of Population*, and *Series P-C, Detailed Characteristics*, should be in every bank's files. Not only the advertising department, but also the business development personnel, should study the data as key material for forming policies and plans.

We have done amazingly well in our bank promo-

tional work with only casual reference to market data. Few banks have made scientific market studies. Think how much *better* we can do if we consider with care the vast body of factual data that exists in the census tabulations.

Business and industry make continuous use of market research. Costly studies of market factors, income levels, racial factors, home data, and every conceivable angle are made by national firms. Advertising expenditures are based squarely on these data. Advertising is not an exact science, but it comes closer to its goal of scientific efficiency when it is based on market facts instead of guesswork.

The significance of the 1950 Census to banking might well be this: That now, as the first stirrings of a trend

toward market research as an instrument of management become apparent, the tremendous wealth of statistical data in the census becomes available. Hence at our fingertips is the kind of information we want and need. It is not costly—it is practically free. All that is needed is a thirst for facts and a resolve to study, analyze, and draw conclusions.

The Public Relations Council of the American Bankers Association is now drafting a new bank manual on market research. The study will offer practical procedures to banks that want to gather and analyze local data. This new manual will discuss census data at greater length and will make specific suggestions for using it in your own bank's advertising and public relations planning.

Population and Savings

D. JAMES PRITCHARD

POPULATION changes imply trends important to the future of the savings and mortgage business. Although an increase in population does not in itself guarantee periods of great business activity, such an increase coupled with incentive, hard work, adequate resources, and technological improvement does establish a base for steady economic growth.

A careful study of population trends and their effects on the living conditions, habits and savings of the people has always been a necessary starting point for planning and successful development programs in the savings and mortgage fields. The alert savings banker realizes from experience how important is this wealth of available data and he is making good use of this information. For he knows that, in addition to population growth, there are dynamic forces continually at work changing the geographic and economic distribution of present and potential customers. Then, too, changing patterns in the age distribution of our population will influence both the demand for banking services and the manner in which these services are performed.

School Savings

With a nation now exceeding 150,000,000 people and still growing at a rapid rate, the savings banker must today plan to meet the greater financial requirements of new customers. A qualitative analysis shows that many more potential new depositors and customers are on the horizon than ever before. Both in volume and percentage, there has been an all-time-high increase of children under 10 years of age. In 1940, about 16 percent of the population was in this classification. Today almost 20 percent of the population is in this age group. Recognizing this potential, many banks have intensified their school savings programs and still others have recently added this service.

As in the case of the Society for Savings, President Mervin B. France observed this trend in the middle Forties. Therefore, he encouraged the bank's re-entry

D. James Pritchard



into the school savings program in October 1945 when school officials invited participation. The wisdom of this decision can best be illustrated by the following observations:

Today the bank serves 105,000 school depositors with a present balance of approximately \$3,500,000. A study of regular savings depositors in 1938 disclosed that in the officers' opinions too few younger savers had regular savings accounts. In 1948, just three years after school saving was resumed, a similar survey revealed encouraging growth in the number of young depositors with regular savings accounts. The 1948 analysis disclosed proportionately three times more depositors in this classification than there were in 1938. A recent tabulation indicates that the average opening balance transferred by school savers to the regular savings department is over \$130. Modest, to be sure, but it does represent a virility in the deposit liability that portends future growth.

Another important challenge may be observed in the census data. The central areas of large cities are growing proportionately more slowly than are the suburban areas. In some cases, the central city is losing population. This shift of population presents problems

to the savings banker. How much importance does the public place upon geographical convenience? How is the problem met? Some banks have gone to the public by establishing new branches. Still others have used different methods to meet the demands of this shifting populace. In some cases greater emphasis upon a banking-by-mail program has been helpful. In one instance a savings bank found that banking-by-mail total deposit items increased from 4 percent to 15 percent in a few years. This increase was credited to an aggressive advertising program based on paying the postage on bank-by-mail deposits. This challenge caused by a movement of population is also being met with more convenient banking hours, free parking and drive-in windows. To meet the home financing needs of these suburbanites, many of the banks are now sending loan officers into the expanding areas. Through loan officer direct contact with builders, realtors and real estate salesmen, the suburban home buyer is literally having mortgage loan service brought to his doorstep.

Statistics on family formation are also receiving greater attention from savings bankers. They are useful guides in determining future policy decisions relating to services, advertising, and promotion. The young family has many and varied financial needs. The wise spending and saving of family income is a vital key to the future happiness of all members of the family and begins with a well planned budget. In addition to a budget service, these young families will look to their bank for other financial services to help them enjoy the material products which today make life more comfortable and pleasant.

Another use of the census reports pertains to owner occupancy of dwelling units. The owner occupancy trend has been upward during the past 10 years. In 1950, of all occupied units, 55 percent were owner occupied as against 43.6 percent in 1940. Even with slightly fewer marriages, census data indicate approximately 2,300,000 married couples still living in households with others. These factors must all be considered in estimating potential mortgage demand. Besides gross trends, the savings banker should acquaint himself especially with the particular economic characteristics of neighborhoods and their changes. This is of special importance in a large metropolitan area. Industrial cities are apt to experience neighborhood economic changes in a relatively short period.

It also pays the savings banker to keep in close touch with the other leaders of his community. Bankers will find that the public utility companies are keenly interested in census facts. In many cities they seek the cooperation of bankers in attracting new types of industries to the area. There are many instances where old neighborhoods have been rehabilitated and have assumed renewed activity, thus creating new customers for a bank long established in the section. Many examples are evident in the older large cities of this country today, and this movement is apparently receiving added impetus with the desire of many big corporations to decentralize operations. In fact, some of the public utility executives, especially in the electric power field, are lending personnel to encourage industries of wide diversification to locate in their service area. Naturally the intention is to create a more steady demand for their service and to reduce the

peaks and valleys in demand for electric power during boom and recession periods. In one such instance, recently brought to my attention, a new office building and many new employees in an older area of a large Ohio city will develop a great potential of new customers for an old banking institution in the vicinity.

Manpower Supply

Also of serious concern to those engaged in the savings and mortgage business are the trends in the age distribution of the population as they relate to the supply of manpower. In 1950 there were proportionately more people in the "over 65 years old" classification and in the under 10 years old group than ever before. With a growing demand for service required by these two classifications, we see at the same time a smaller supply of men and women in the years from 10 to 19 and also from 20 to 49 for the next decade. Present employees who form the base for performing the detailed work in banks are in this latter group. From the former will come new employees during the next 10 years. Because of this situation, a potential greater need for services and a proportionately fewer number to keep the services going, bankers charged with the responsibility of savings and mortgage development will find it necessary to mechanize their institutions at a faster pace. Already one sees this trend increasing. More and more banks are making greater use of tabulating, counting, sorting and computing machines. In addition, new methods and new services are continually being adopted to meet the financial needs of this growing population. We are, indeed, living in exciting days for the home, business and finance. The horizon is bright for the savings banker who readily accepts the challenge and uses the facts at hand to intelligently guide him to useful service to his fellow men.

Where to Look for New Trust Business

GILBERT T. STEPHENSON

CENSUS DIRECTOR PEEL's outline of the 1950 census presents at least four statistical facts that have significance for trust business and point the way for it to develop during the current decade. These facts are: (1) Increase of population in suburban areas; (2) increase in number and size of owner-operated farms; (3) increase in dollar-value of farm products sold; and (4) increase in under-10 and over-65 age groups.

Four-fifths of the over-all increase in population has

been in metropolitan areas, and much of this increase has been in the suburbs of the over-50,000 cities.

If the trust business is to adapt itself to this decentralization of urban population, it must establish branch trust offices, not departments, in many of these suburban areas.

The difference between a branch trust department and a branch trust office is that the former is fully manned and equipped to render trust service, whereas the latter is only an office for conferring with local customers, prospective customers, and beneficiaries and for servicing local property.

The branch trust office would be housed with the local branch bank office. There need not be as many trust offices as bank offices, for people will go farther for trust service than for bank service.

Back of the suburban trust office would be the central trust department doing the investment work, tax work, bookkeeping, accounting, and other technical work. The branch office's activities would be confined to serving local customers, prospective customers, and beneficiaries, and servicing local property and mortgages.

There is nothing revolutionary or unprecedented about this suggestion. The Bank of America, for example, has developed a system of trust departments and trust offices covering California, and eastern trust institutions have done the same thing on a smaller scale.

Increase in Owner-Operated Farms and Farm Values

In 1950 the percentage of owner-operated farms was 73 compared with 61 in 1940. This means a more stable farm population.

In 1950 the value of farm products sold was \$22-billion compared with less than \$10-billion in 1940. This means greater economic wealth of farmers.

In 1950 there were 3,600,000 farm tractors compared with 1,600,000 in 1940; in 1950, 2,200,000 farm trucks compared with 1,000,000 in 1940. This means a phenomenal increase in farm mechanization, which has attracted a higher type of farm laborer—in many cases the sons and, in not a few cases, the daughters of the farm owners.

In 1950 the average-sized farm was 215 acres compared with 174 in 1940. This means that the owner-operated, sizable farm is an economic unit.

In 1950 the total farm population was 23,300,000 compared with 30,200,000 in 1940. In the light of the previous figures, this means fewer but better farmers.

Putting all these farm figures together, one must conclude that farmers increasingly are becoming better trust customers. What is not brought out in Mr. Peel's article, but is the common knowledge of trust men, bankers, and investment houses is that farmers are investing their surplus funds in stocks and bonds and are less and less land-poor.

If the trust business is to keep up with the procession it must not only offer farmers all the conventional trust services but also add a service distinctive to farmers. That service is farm-management. Trust institutions must have farm-management divisions just as they now have investment and real property-and-mortgage divisions.

Prosperous farmers, having reached the age of retire-

Gilbert T. Stephenson



ment and perhaps desiring to move to town to be with or near their children, would like to turn over the management of their farms to their bank. In their wills, they will provide for their bank as executor and trustee to carry on their farms.

There is nothing new or revolutionary about farm-management service. Many trust institutions in such agricultural states as Nebraska, Illinois, Iowa, Kentucky, and North Carolina, already have well developed, profitable farm-management divisions of their trust departments.

If Mr. Peel's farm figures mean anything to bankers and trust men, they mean for one thing that, if trust business is to keep up with the procession, it must develop its farm-management service.

Increase in Under-10 and Over-65 Age Groups

In 1950, children under 10 years of age constituted 19.6 percent of our population, compared with 16.1 percent in 1940.

In 1950 persons 65 years of age or over constituted 8.2 percent of our population, compared with 6.9 in 1940.

Thus we are increasing at both ends of the age scale and decreasing in the middle. For the trust business of the future this means, at least, two things.

First, it means that trust institutions should pay more attention to young married people as prospective customers. Something—what, I do not know—seems to have made young husbands and fathers especially interested in and concerned about provisions for their wives and children. We have a generation of serious-minded young married couples. They gladly would turn to trust institutions if they but knew what trust institutions had to offer them. Trust institutions, on their part, have an unprecedented opportunity through living trusts and insurance trusts to make these young people their lifelong trust customers.

Second, the tremendous increase in the over-65 age group offers both a responsibility and an opportunity to trust business. The responsibility is to supplement the provisions for aging and aged people through Social Security benefits and pensions. Perhaps Social Security never will be or never should be more than enough to supply the necessities. Many old people, having been self-employed, do not receive retirement

allowances or pensions. Looking ahead to inevitable old age and retirement, self-employed people especially should be responsive to the appeal of living trusts for their own and their dependents' benefits during their period of retirement.

Moreover, the present-day emphasis upon security should predispose sons and daughters to make provision, through living trusts, insurance trusts, and trusts under will, for their dependent parents as well as dependent members of their immediate families.

To sum up: Out of the revelations of the 1950 census as presented by Mr. Peel, for the trust business there should come, among other benefits, at least: (1) the development of a system of branch trust offices for suburban areas; (2) the development of farm-manage-

ment service for farmers and farm families in agricultural areas; (3) increase in living trusts created by young married couples for themselves and their dependent children; and (4) increase in living trusts, insurance trusts, and trusts under will both by people during their productive years for their own period of retirement, and for the ever-increasing proportion of people over 65 years of age and retired, many of whom will not have pensions and for whom Social Security will provide only the necessities, not the comforts, of life.

Unless the trust business does adapt itself to the needs and opportunities revealed by the 1950 census, it will fall behind in the procession of American enterprises.

Changing Agriculture

JESSE W. TAPP

THE 1950 Census of Agriculture will provide alert country bankers with a wealth of new data against which to check the progress of the agriculture of their respective areas. The dramatic changes in agriculture between 1940 and 1950 warrant the attention of country bankers, and careful study of the county and state census data will enable them to have a more accurate understanding of the basic trends in farming and their significance to successful country banking.

For the United States as a whole there are 5,384,000 farms in 1950, down from 6,096,799 farms in 1940. This means that the average size farm unit is being increased due to the ability of the farmer to utilize more acres through the use of power machinery. The average farm in 1940 was 174 acres. Today it is 210.5 acres. In a state like North Dakota, for example, the change in the average size of the farm is more marked than in other sections. The acreage is increased from 512 acres in 1940 to 630 acres in 1950. This 25 percent increase is occasioned by the use of such power machinery as combines which are now almost universally used in the great wheat areas of North Dakota and other great Plains States. But even in a state like Virginia, where 174,000 farms in 1940 have decreased to 150,000 in 1950, we see an average acreage increase during these 10 years from 94 in 1940 to 103 in 1950. Every state will reveal the increased use of farm machinery and its effect upon the increased production on the farm and the lesser dependence on farm labor.

Average Size of Farms

The general increase in the acreage of the family size farm is closely related to the continuing trend toward motive power and related power-driven equipment. For instance, horses and mules, which constituted a great percentage of motive power on the farms in 1940, have decreased more than 1,000,000 head in the period up to 1950. In the same period tractors have more than doubled—from 1,500,000 to 3,500,000.

The increased use of electricity on farms, stimulated by improved farm income and helped greatly in some

areas by the Government's REA plan, finds more than two-thirds of the farms now electrified. Ten years ago there were 2,000,000 farms with electricity, whereas in 1950 there were 4,195,000 farms electrified. This matter of tractors and electricity spells a lot in telling of the transition of agriculture during these momentous 10 years.

Sixty percent of the land area of the country is in farms. This does not mean that it is all in productive land, for there are still a lot of idle acres on farms. The extent of such idle acreage is set forth county by county and many bankers will find it desirable to consider the extent and potential of the idle acres in their areas. For the country as a whole, there were 344,000,000 acres harvested in 1949. It would be interesting to check the number of idle acres which would include crop land not harvested and not pastured, totaling 64,000,000 acres; woodland not pastured totaling 85,000,000 acres, and waste land totaling 45,000,000 acres. This total of 194,000,000 acres is up from 154,000,000 acres in 1940. These figures seem stupendous and hard to understand. However, they can be obtained from the records of each county. If the banker will study the statistics of his own community he may be

Jesse W.
Tapp



A BANKING Report

astounded to find that there are hundreds of acres that can be put into production if one only knew that they existed.

The average value of land and buildings per farm in 1950 was \$13,941. This is up from \$7,900 in 1945 and \$6,767 in 1940. The value of land and buildings in 1950 was \$66 per acre on a total of more than 1,158,000 acres. This is up from \$38.89 per acre in 1940.

The value of all farm products sold in 1949 was \$22-billion as compared with nearly \$10-billion in 1940, an increase of \$12-billion. Two in five farms reported total sales of products amounting to \$2,500 or more in 1949, whereas only one in 10 farms reported sales of \$2,500 or more in 1940.

Fewer Farm Workers

About 870,000 fewer persons were working on United States farms in 1950 than in 1940. This decline was caused largely by the decrease in the number of farm operators and family workers resulting partly from the decrease in the number of farms and partly from the increased mechanization of agriculture. There were approximately 120,000 fewer hired farm workers in 1950 than in 1940 and yet the expenditure for hired labor was 200 percent greater than 10 years ago, thus reflecting a very large increase in farm wage rates.

Reference has already been made to the drastic decline in the number of horses and mules which indicates the change in the economy of farming. Data on cattle and calves, as well as hogs and pigs are hardly comparable on a national basis. However, the country banker will be interested in studying the numbers on a county basis and from the available data can get a fair picture of the numbers of livestock and whether or not they are increasing or decreasing in his area.

A study of the tables showing statistics for counties is something that the Agricultural Commission of the American Bankers Association cannot recommend too strongly to every country banker in America. These tables show the number of farms, the total acreage, the value of all the farms in the county and

the number of farm operators. They show the facilities and equipment, farm labor, farm expenditures, and the total of livestock and livestock products. A comparison between 1950 and 1940 will enable the country banker to determine the degree of progress which has been made in the raising of livestock in his county. Farms and farm characteristics for commercial farms and other farms are also noted. Farms are also classified by counties, by total value of farm products sold, by type of farm, and by economic class—all for the years 1945 and 1950.

In addition, statistics are set up for state economic areas. These areas vary according to the state and will enable bankers to determine the progress of farmers in one section with another during the past few years.

A study of the county data provides an interesting comparison of the progress made by operating farmers with tenant farmers; by those raising livestock compared to those growing row crops, and those living on hard-surfaced roads compared to those living on dirt roads; by those who raise poultry to those who do not; of those who use tractors compared to those who use horses and mules, and of those who raise cattle and dairy products with other types of livestock.

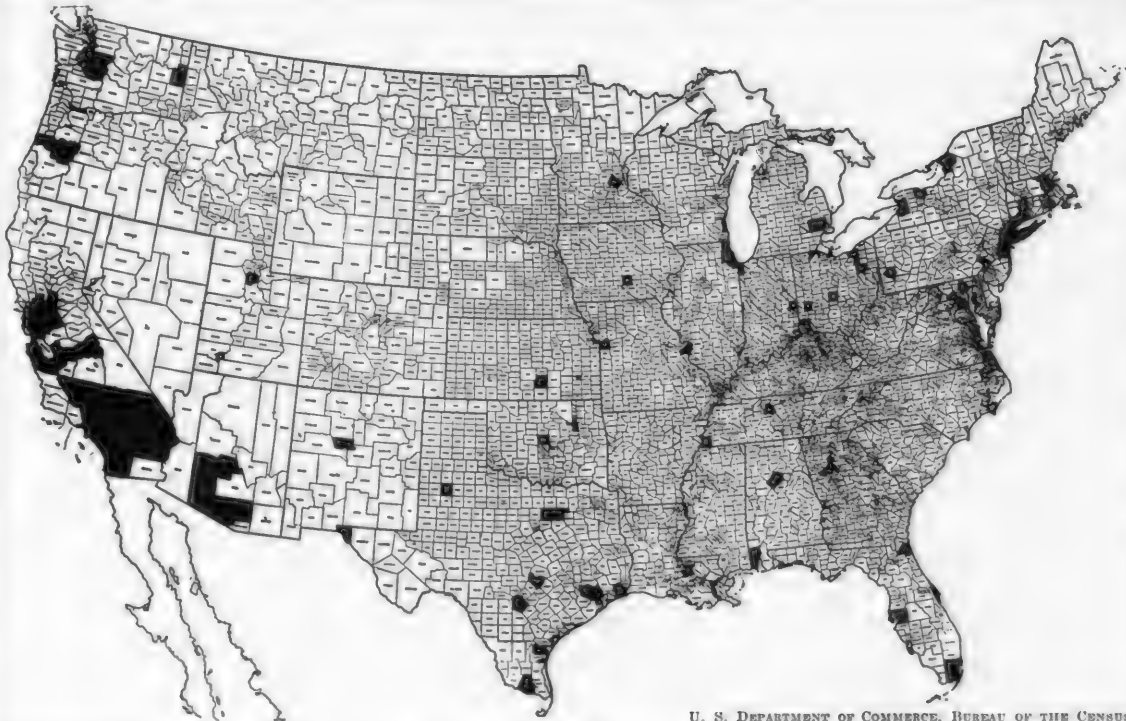
While the 1950 census measured the distribution, composition, and characteristics of a grand total of 150,000,000 Americans, which is of varied interest to all banks, yet that part of the census that tells of the 5,500,000 agricultural enterprises in the United States will hold the greatest attention of the small-town banker.

A Double Challenge

The agricultural census reveals an increase in the average size of farms, the greater mechanization of farms, and the multibillion-dollar scale of farm income and expenditures—all to meet the production of food for a human population that is growing at the rate of 2,700,000 a year. This offers a challenge not only to the farmer but to the country banker.



A BANKING Report



U. S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS

IN THE DECADE BETWEEN 1940 and 1950, THE YOUNG AND THE OLD INCREASED NUMERICALLY

Age Group	1940	Percent of Total	1950	Percent of Total	Increase or Decrease	Percent Change
Under 5 years.....	10,541,000	8.0	16,324,000	10.8	+5,783,000	+54.9
5 to 9 years.....	10,684,000	8.1	13,241,000	8.8	+2,557,000	+23.9
10 to 14 years.....	11,745,000	8.9	11,361,000	7.5	-384,000	-3.3
15 to 19 years.....	12,333,000	9.4	10,732,000	7.1	-1,601,000	-13.0
20 to 24 years.....	11,587,000	8.8	11,327,000	7.5	-260,000	-2.3
25 to 29 years.....	11,096,000	8.4	12,093,000	8.0	+997,000	+9.0
30 to 34 years.....	10,242,000	7.8	11,601,000	7.7	+1,359,000	+13.3
35 to 39 years.....	9,545,000	7.2	11,193,000	7.4	+1,648,000	+17.3
40 to 44 years.....	8,787,000	6.7	10,058,000	6.7	+1,271,000	+14.5
45 to 49 years.....	8,255,000	6.3	8,990,000	6.0	+735,000	+8.9
50 to 54 years.....	7,256,000	5.5	8,274,000	5.5	+1,018,000	+14.0
55 to 59 years.....	5,843,000	4.4	7,230,000	4.8	+1,387,000	+23.7
60 to 64 years.....	4,728,000	3.6	5,950,000	4.0	+1,222,000	+25.8
65 to 69 years.....	3,806,000	2.9	5,060,000	3.4	+1,254,000	+32.9
70 to 74 years.....	2,569,000	2.0	3,425,000	2.3	+856,000	+33.3
75 years and over....	2,643,000	2.0	3,837,000	2.5	+1,194,000	+45.2
	131,660,000	100.0	150,696,000	100.0	19,036,000

IN THE DECADE BETWEEN 1940 and 1950, POPULATION IN ALL AREAS INCREASED, WITH THE LARGEST INCREASE IN THE PACIFIC STATES

	1940	Percent of Total	1950	Percent of Total	Increase or Decrease	Percent Change
New England.....	8,437,000	6.4	9,314,000	6.2	+877,000	+10.4
Middle Atlantic.....	27,538,000	20.9	30,163,000	20.0	+2,625,000	+9.5
East North Central..	26,625,000	20.2	30,399,000	20.2	+3,774,000	+14.2
West North Central..	13,515,000	10.3	14,061,000	9.3	+546,000	+4.0
South Atlantic.....	17,822,000	13.5	21,182,000	14.1	+3,360,000	+18.9
East South Central..	10,777,000	8.2	11,477,000	7.6	+700,000	+6.5
West South Central..	13,063,000	9.9	14,538,000	9.6	+1,475,000	+11.3
Mountain.....	4,150,000	3.2	5,075,000	3.4	+925,000	+22.3
Pacific.....	9,733,000	7.4	14,487,000	9.6	+4,754,000	+48.8
Total.....	131,660,000	100.0	150,696,000	100.0	19,036,000

THE 20 FASTEST GROWING STATES BY PERCENTAGE INCREASES

State	Absolute Increase
1. California	53.3%
2. Arizona	50.1
3. Florida	46.1
4. Nevada	45.2
5. Oregon	39.6
6. Washington	37.0
7. Maryland	28.6
8. New Mexico	28.1
9. Utah	25.2
10. Virginia	23.9
11. Michigan	21.2
12. District of Columbia	21.0
13. Texas	20.2
14. Delaware	19.4
15. Colorado	18.0
16. Connecticut	17.4
17. New Jersey	16.2
18. Wyoming	15.9
19. Ohio	15.0
20. Indiana	14.8

Compilation by Vergil D. Reed, vice-president, J. Walter Thompson Co., writing in Advertising Agency.

STATE GROUPS AS SET UP BY THE BUREAU OF THE CENSUS



Washington

Election Effects—Legislative Outlook

LAWRENCE STAFFORD

IN one respect bankers will probably get something of a break regardless of the election results, for they are likely to be confronted with relatively few changes in the leading personnel among Federal bank supervisory agencies.

Members of the Board of Governors of the Federal Reserve System are appointed for definite terms of office—14 years for those named to full terms. The Board is regarded as an agency of Congress, and its members and staff as nonpolitical. Hence the members of the Board do not plan to submit their resignations to the new President, regardless of which nominee is elected.

William McChesney Martin was nominated March 15, 1951, to be a member of the Board succeeding Thomas B. McCabe, for the unexpired portion of a term ending Jan-

uary 31, 1956. President Truman, when nominating Mr. Martin to be a Governor, announced that he was being designated chairman. This designation runs for four years. It may not be revoked except for cause by the succeeding President. Hence Governor Martin remains chairman until March 15, 1955, unless, of his own volition, he should surrender that designation.

Naturally the staff of the Board will remain intact, providing for continuity in supervisory policy in all its details.

Comptroller's Term

Preston Delano, the Comptroller of the Currency, was appointed by the President for a specific term of five years. His latest appointment expires in January 1954.

Mr. Delano first came to Wash-

ington in 1933 as general manager of the Home Owners Loan Corporation, where he made a record rated as outstanding. Subsequently he became the first governor of the Home Loan Bank System, before being named in 1938 for his first term as Comptroller. He has since been re-appointed three times.

Whereas the members of the Cabinet automatically submit their resignations, as do most administrators and sub-administrators of executive agencies, it is not the custom of the Comptroller of the Currency to do so.

That is not to say that, if the new President were determined to make a change in the top post of this national bank supervisory agency, a change would be definitely precluded by the fact that the office is for a five-year term.

Historically the positions of Deputy Comptrollers and the Comptroller's staff have long been regarded as a career—nonpolitical service. Usually few if any shifts are made in these assignments, although the Deputy Comptrollers are named to their post by the Secretary of the Treasury upon the recommendation of the Comptroller. In the early 1930s, however, a Secretary of the Treasury did select an individual from outside the career staff to be his designee as First Deputy Comptroller of the Currency. The unfavorable reaction aroused by this move might discourage a light-hearted repetition by another Secretary of the Treasury.

FDIC Terms

Fixed terms also are provided by law for the appointive members of the board of the Federal Deposit Insurance Corporation. The length of the terms is six years. The Comptroller of the Currency is an ex-officio member of the FDIC Board. Maple T. Harl, the present chair-

HAVE YOU SEEN . . .

(1) A terse review of Federal Reserve Policy from the war to the present. Send to the Board of Governors, Federal Reserve System, Washington 25, D. C., for the speech, "Reserve Banking in a Dynamic Economy," by Governor M. S. Szymczak.

(2) For those interested in the bank holding company question, there is the view of the staff of a House Judiciary Subcommittee opposed to bank mergers and bank holding companies. This is entitled, "Bank Mergers and Concentration of Banking Facilities," being a staff report to Subcommittee No. 5 of the Committee on the Judiciary of the House of Representatives. This may be obtained by writing to the House Judiciary Committee, House of Representatives, Washington, D. C.

(3) Another view of the problem of bank holding companies was offered to the Senate by the staff of the Federal Reserve Board. It is entitled, "Concentration of Banking in the United States," and was published by the Subcommittee on Monopoly of the Select Committee on Small Business, United States Senate, Washington, D. C.

(4) For a view of legislation favored by the chairman of the Senate Banking Committee, see the address of Senator Burnet R. Maybank before the Independent Bankers at Atlantic City. Write to the Hon. Burnet R. Maybank, United States Senate, Washington, D. C.

(5) A specimen of FNMA's "Purchase Receipt," or FNMA Form 196. Write to the nearest office of the Federal National Mortgage Association.

man, succeeded Leo T. Crowley, who resigned in October 1945. He is officially designated as a Democratic appointee.

H. Earl Cook, the other appointive director, is officially named as a member of the Republican party. He assumed the vacancy occasioned by the death of Phillips Lee Goldsborough.

Both Messrs. Harl and Cook were

renominated and eventually confirmed for six-year terms commencing September 5, 1951. At the time their nominations were considered, however, members of the Banking Subcommittee planned to change the basic FDIC law so that the two appointive terms should not again expire simultaneously. Thus far the committee has not got around to bringing out such legislation, but

such a bill will presumably be offered and passed during the first session of the new Congress.

There is less tradition about continuity of the FDIC members, however. Whether the new President will feel bound to continue these men in office, or whether, if asked for their replacement, they would resign, is something that remains to be seen.

International Farm Credit Conference

HERBERT BRATTER

AS part of a Point IV project, 70 foreigners from 34 countries were brought to the United States this summer to study farm credit. Specifically, according to the State Department, they investigated "means of furnishing credit to increase ownership of land by individuals in under-developed countries and to improve methods for its use." The visitors came from such widely separated lands as Afghanistan, Bolivia, Iran, Indonesia, Cuba, Laos, Lebanon, and the Philippines. At the University of California they attended from August 4 to September 12 an "International Conference on Agricultural and Cooperative Credit," where the agenda consisted of "workshop discussions," addresses, and field trips. There were discussions of every phase of credit operations "pertinent to progressive transition of land ownership and operation."

At the California meetings the staff, headed by Thomas C. Blaisdell, Jr., lectured on such topics as Government credit for low income farmers, insurance companies and agricultural credit, new sources of capital for agriculture, supply of money in capital-hungry countries, and various selected aspects of farm credit. The visitors were encouraged to describe farm credit conditions in their own countries. Delegates were supplied with excerpts from *Economics of American Agriculture*, by Walter W. Wilcox and Willard W. Cochrane, New York, Prentice-Hall, 1951.

Following the California meetings the visitors divided into two traveling groups to study regional aspects of the subject on the ground. With Washington, D. C., as the goal, one itinerary led

through Salt Lake City, Denver, and Clarksville, Tennessee; the other via Phoenix, New Orleans, and Tuskegee Institute, Alabama. The only bank selected by the State Department to sponsor a field survey by the visitors was the First National Bank of Clarksville, whose president, C. W. Bailey, is a former president of the American Bankers Association. The bank selected five farms for the day's tour to illustrate various phases of farming and emphasize owner-operated farms.

In Washington the 70 visitors were met by officials of the Government, which paid their expenses in the United States. The officials included the Point IV administrator, MSA's deputy director and staff members; Agriculture Department officials, headed by the Secretary; and Governor R. M. Evans of the Federal Reserve Board. There followed two days of addresses in the Agriculture Department by officials on agricultural economics, rural electrification, the World Bank, Farmers Home Administration, Farm Credit Administration, and other agencies. Spokesmen of the Bureau of Federal Credit Unions occupied a morning session. A visit to the White House for a greeting by President Truman brought the visit to a climax.

The group visit described above is but one of many sponsored by the American Government as a means of spreading American know-how and goodwill. These have been conducted by the State Department's Technical Cooperation Administration, which has charge of the Point IV program, and by the ECA and its successor, the MSA. Every phase of American life and civilization seems to be

embraced. Under Point IV one agency alone, the Federal Security Agency, during the past fiscal year entertained more than 3,000 foreign visitors, most of them trainees in the health, welfare, and education fields. Of the 3,068 trips, 1,935 were financed by the U.S.

Chief host to the world's curious businessmen, industrialists, scientists, workers, and others has been the MSA and its predecessor, ECA. From the inception of the technical assistance program in 1948 through July 1952, nearly 9,000 Europeans comprising more than 1,100 visiting groups have studied our methods. Uncle Sam picked up the \$18,308,883 check for showing the guests the secrets of our success. In addition MSA operates a similar but smaller program in the Far East. Apart from bringing foreigners here to study America, MSA sends American experts abroad to teach others on their home grounds. Through July MSA has sponsored sending some 900 specialists to Europe at a cost of \$15,492,932. The aim is to increase the productivity of the countries on our aid list.

Typical of MSA's visitors have been:

Two teams from the French fats and oils industry, to study the extraction and use of vegetable oils and the soaps and detergents industries; a German agricultural machinery and tractor team, visiting industrial plants in nine states; a seven-man Dutch group, booked for three months' training in our latest steel mill methods; 900 Britons routed through nearly 2,000 American factories and businesses on learning bent.

According to MSA, "It is for you to judge the wisdom of these actions in the light of the great significance which the success or failure of our enterprise means to you and yours."

METHODS and IDEAS

Operations . . . Advertising . . . Public and Customer Relations

This department is edited by JOHN L. COOLEY of BANKING's staff.

Bank Board Hears Examiner Discuss His Report

AMERICAN SECURITY AND TRUST COMPANY of Washington, D. C., invited National Bank Examiner William B. Camp to attend a monthly meeting of its directors and discuss his recent examination of the banking department.

Mr. Camp explained the theory and purpose of bank examinations and commented on different phases of his report. The directors passed a resolution authorizing the president to put this practice on an annual basis.

Maple T. Harl, chairman, and H. E. Cook, director, of the FDIC, also attended the meeting. Mr. Harl complimented the bank's president, Daniel W. Bell, and the board on taking the initiative among larger banks in inviting an examiner to talk over his report personally with the directors. Messrs. Harl and Cook both observed that this was a constructive step in the relationship between banks and examiners.

Bank Staff Quizzes Officers

THE BANK OF VIRGINIA, Richmond, has added an interesting feature to its monthly staff meetings at the 4th and Grace streets office.

At each session there's an opportunity for the employees to ask questions of top bank officials. The meetings are held in the main lobby during bank time, within view of passersby.

"Most sensible type of staff meeting I've ever attended," commented one member, and that about summarizes the employees' reaction.

Here are some of the questions

asked: "Many of my customers inquire about a trust department. Do we intend to install one?" "Is it the bank's plan to install the five-day week [in effect during the summer] as a permanent practice?" "XYZ bank recently increased its interest rate. Do we intend going up?" "Has the bank considered a drive-in branch for the west side of town?"

Meetings are unrehearsed and no questions are barred.

FPRA's Special Checking Account Survey

THE Financial Public Relations Association, Chicago, recently published the results of a nationwide survey of special checking accounts conducted by Stuart P. Miller, vice-president of The First National Exchange Bank of Roanoke, Virginia. Of the 342 reporting banks, 263 offer this service.

The survey notes "the enthusiastic endorsement given to special ac-

counts by bankers representing every section of our nation."

"Although bankers may differ in the method of operating special accounts," says the summary, "it is obvious that the majority of them have accepted this comparatively new type of checking service as a part of modern-day banking. 'Why do bankers like special accounts?' They are easy to install from an operational standpoint. When properly promoted, they produce a sizeable portion of service charge income. They appeal to the many people who would not otherwise use checking services. Through them, new business is channeled to other departments of the banks. In short, bankers like them, the public likes them. We believe they are here to stay."

Community Newspaper

THE UNION SQUARE SAVINGS BANK, New York City, is publishing a

Thomas C. Boushall, president of the Bank of Virginia, Richmond, answers an employee's query at a "Quiz the Brass" staff meeting while a panel of four vice-presidents in charge of the bank's Richmond offices looks on





PSYCHIC IKE PSMITH (Psychology '53)
says: "A man with a lumpy noggin can
still have a level head."

... A better guide to your level-headedness
is the lump-sum of your savings



One of the Bank of Montreal's cartoon ads, directed to college students, which will be appearing in university papers in the Dominion throughout the current school year. The bank also has a promotional folder which points out how students can use its services

four-page monthly newspaper devoted to the interests of the people in the community it serves.

Union Square Savings Bank News is now being distributed to 30,000 families. R. H. Brownell, the bank's president, told readers of the first issue that the purpose is "to help you know us better and to keep you informed of our mutual activities."

Features include articles on familiar landmarks in the areas of Union Square and Stuyvesant Town, where the bank has offices; profiles of the staff; an inquiring photographer department; and an original drawing by Edward C. Caswell, well-known Greenwich Village artist. There will also be articles on local philanthropic, fraternal, and public service organizations. Copy is prepared under direction of William K. Ackroyd, assistant to the president of the bank.

Chase Liberalizes Staff Benefits Program

THE CHASE NATIONAL BANK of New York has liberalized and improved its employee benefits program to include a more liberal retirement plan and a new thrift-incentive plan.

(CONTINUED ON PAGE 98)

Auditing Instalment Loans

NORMAN T. SHEPHERD

In this space last month MR. SHEPHERD offered several suggestions for loss prevention at instalment loan operating points. His discussion concludes in the following article. The author is vice-president and comptroller of the Haverhill (Massachusetts) National Bank and chairman of the Massachusetts Bankers Association's Bank Management Commission.

SUPPORTING Documents. Are these papers in proper order and, if necessary, recorded? Are insurance policies on file and adequate, with ticklers on those expiring before maturity of the note? Are proper records of corporate authority, attorney in fact, and similar authorizations on file? If the instalment note is collateralized, is the property fully described on a collateral register so that it can be readily accounted for? Is it properly guarded and is it properly released under signature when returned to the owner?

Monthly Payments. Direct confirmation of unpaid balances will bring misappropriation of monthly payments to light. A careful check and follow-up on past due balance also helps; so does a marked shift in the payment dates of various accounts from a consistent to a variable date. Of course separation of the functions of receiving payments and posting ledgers affords good audit control and is recommended where practicable.

Daily Check on Debits and Credits. Just as new notes should be machine totaled daily by the auditor and checked to the debit entry to the control accounts, thus eliminating possibility of overstatement, so a daily check of the control entry covering paid notes will eliminate the possibility of understatement of credits. To understate credit and overstate debit entries as a means of concealing embezzlements is a trick often resorted to. Follow debit and credit entries to see that they actually represent the figures indicated.

Charged-off Loans. Another rather easy fraud is the misappropriation

of recoveries on charged-off loans—irregularities that are often difficult to detect. Losses are also created by unauthorized charge-offs through false entries. To prevent this, have all write-offs incorporated into the minutes of the directors' meetings after they have been reviewed by the board. It would also be well to give the auditor a copy of the approved charge-offs to prevent the possibility of the minutes being altered.

Past Due Payments. Reports of these are generally prepared by the instalment loan department and submitted to management. It might be well for the auditor to check these reports occasionally to be sure that charge-off policies are being observed, that repossessed items are properly accounted for, and that the report is what is purports to be. In some places collection men are not permitted to accept instalments in part or in full, and the accounts these agents follow are rotated. This results in a sort of cross-check on their activity.

Of course, the policy of accepting payments by outside collection men is a matter for individual bank determination; however, it would seem that some sort of numbered duplicate receipt should be used in cases where these agents receive payments.

Daily Check of Discount. Computation of discount, interest, and other charges should be checked by a person other than one handling the note transactions. Daily totals of discount and interest from new notes should be checked out to the credit entries and followed to the income control accounts. A properly operated accrual system is the most effective method of preventing losses through the medium of understatement of interest.

Overstatement of rebates is often a means of fraud. As a preventive, a uniform method of figuring rebates should be established and the debit interest covering a rebate should be approved by the department.

(CONTINUED ON PAGE 101)

Results of Analysis of Savings Departments of Commercial Banks With Total Assets Under \$7,500,000 for Year 1951

NAME OF BANK _____
OFFICER _____ TITLE _____
CITY _____ STATE _____

STATE OR GROUP	NUMBER OF BANKS	COLUMN 1 TOTAL SAVINGS DEPOSITS AS A PERCENT OF ALL DEPOSITS	COLUMN 2 SAVINGS DEPOSITS INVESTED (A) AS A PERCENT OF TOTAL SAVINGS DEPOSITS	COLUMN 3 INCOME EARNED (B) AS A PERCENT OF SAVINGS DEPOSITS INVESTED	COLUMN 4 INCOME EARNED (B)	PER \$100.00 OF SAVINGS DEPOSITS					COLUMN 8 NET PROFIT (OR LOSS)	COLUMN 9 AVERAGE BALANCE PER SAVINGS ACCOUNT	COLUMN 10 AVERAGE NUMBER OF SAVINGS ACCOUNTS	COLUMN 11 AVERAGE NUMBER OF DEPOSITS PER SAVINGS ACCOUNT FOR YEAR	COLUMN 12 AVERAGE NUMBER OF WITHDRAWALS PER SAVINGS ACCOUNT FOR YEAR
						COLUMN 5 OPERATING EXPENSE (C)	COLUMN 6 SAVINGS PAID (D)	COLUMN 7 OPERATING EXPENSE (C) PLUS SAVINGS INTEREST PAID	COLUMN 8 NET PROFIT (OR LOSS)						
YOUR BANK'S FIGURES															
OVER-ALL AVERAGE (ALL BANKS IN SURVEY)	2,208	33.98	81.47	2.93	2.38	.25	1.02	1.27	1.11	859.	1,329	2.3	1.4		
ALA., FLA., GA., KY., MISS., TENN.	114	22.55	77.40	3.38	2.56	.22	1.10	1.32	1.24	984.	892	2.2	1.4		
ARIZ., COLO., NEV., N. MEX., UTAH	49	22.62	76.98	3.43	2.63	.25	1.33	1.58	1.05	862.	1,035	2.4	1.4		
ARK., LA., OKLA., TEXAS	123	12.75	76.33	3.72	2.85	.25	1.12	1.37	1.48	940.	524	2.2	1.3		
CALIF., ORE., WASH.	80	33.22	77.38	3.06	2.38	.29	1.25	1.54	.84	873.	1,271	3.0	1.9		
CONN., ME., MASS., N.H., R.I., VT.	93	48.85	84.08	2.88	2.42	.29	1.28	1.57	.85	644.	2,938	2.0	1.4		
DEL., MD., N.J.	98	46.72	82.56	2.62	2.16	.21	.93	1.14	1.02	880.	2,238	2.1	1.2		
IDAHO, MONT., N.D., S.D., WYO.	111	15.15	80.86	2.71	2.21	.22	1.08	1.30	.91	1,038.	453	1.8	1.1		
ILLINOIS	128	27.29	80.64	2.45	1.98	.23	.78	1.01	.97	978.	1,030	2.5	1.5		
INDIANA	94	28.20	83.65	2.78	2.31	.24	.94	1.18	1.13	888.	1,077	2.6	1.4		
IOWA, MISSOURI	169	16.63	81.51	2.83	2.31	.29	.99	1.28	1.03	738.	697	2.2	1.2		
KANSAS, NEBRASKA	136	10.16	82.23	2.93	2.40	.38	1.05	1.43	.97	595.	473	2.1	1.5		
MICHIGAN	110	52.73	81.31	3.15	2.54	.28	.89	1.17	1.37	784.	1,966	2.6	1.9		
MINNESOTA	111	33.43	84.95	2.89	2.49	.23	1.03	1.26	1.23	788.	1,041	2.0	1.3		
NEW YORK	159	47.05	84.20	2.92	2.46	.22	.97	1.19	1.27	842.	1,921	2.2	1.4		
N.C., S.C., VA., W. VA.	121	34.02	77.29	3.20	2.48	.20	1.26	1.46	1.02	878.	1,260	1.9	1.1		
OHIO	126	43.06	82.98	2.76	2.29	.23	.91	1.14	1.15	886.	1,467	2.6	1.4		
PENNSYLVANIA	241	50.87	83.72	2.88	2.39	.18	.99	1.17	1.22	900.	1,917	2.1	1.0		
WISCONSIN	145	34.79	82.15	2.61	2.14	.20	.90	1.10	1.04	936.	1,453	2.4	1.5		

(A) Less legal and excess reserve deductions.

(B) After investment expense but before operating expense and savings interest disbursements.

(C) Including cost of maintenance, deposits, and withdrawals.

(D) Effective rate of interest.

What to Pay Savings Depositors

(See Table on Opposite Page)

A COST study of the savings departments of 2,208 commercial banks with assets up to \$7,500,000 reveals that these departments, "when competently managed, should provide an important source of profit to the individual bank."

The results of the study, made by the Country Bank Operations Commission of the American Bankers Association in cooperation with the A.B.A. Savings and Mortgage Division, provide in effect a blueprint that serves as a guide to assist a bank in determining the rate of interest it can afford to pay on savings deposits. Making available average national, state, and regional figures for such factors as earned income, operating expense, savings interest paid, and profit (or loss), the survey enables a bank to compare its own figures with those of the 2,208 participating banks.

The results, concisely presented on the opposite page, are likewise regarded as of exceptional value to banks at this time in determining the profitability of savings accounts. While the analysis method used was especially designed for smaller banks and was limited to that group, it is felt that the results should be of great interest to larger institutions as well. The survey is therefore being sent to the entire membership of the Association.

Each participating bank, in addition to receiving a special copy of the composite report, will be provided with detailed figures setting forth the results of the cost analysis of its own savings department.

Low Operating Expenses

In the smaller banks, the survey disclosed, the operating expenses of savings departments are very low, averaging only $\frac{1}{4}$ of 1 percent. This compares with about $\frac{1}{2}$ of 1 percent for 200 larger banks, as revealed by a previous Savings and Mortgage Division survey.

Also significant is the fact that only 31 of the 2,208 reporting banks operated their savings departments at a loss. A number of these losses

obviously resulted from relatively high expenses due to excessive account activity; also, some of these banks retained a comparatively high percentage of uninvested savings funds and paid an excessive rate of interest.

Know All the Factors

The study emphasizes that bank management should know all the factors involved before concluding to pay this or that rate. In other words, don't base your rate on what the fellow down the street is doing. Rather, analyze closely such factors as your bank's position regarding operating expenses, earnings from invested savings funds, activity, interest paid, and net profit.

The report also counsels the banks not to take conclusive rate action solely on the basis of the data provided by the study.

"It may be that analysis results will indicate that constructive action along other lines should first be taken. For example, a study of the results shown in this analysis might indicate the need for placing more savings funds in longer term higher return investments in order to increase the income from these funds; that too much cash in excess of legal reserve requirements is being carried; that costs of operating this department are greater than normal because of high withdrawal activity which, in turn, could indicate the need for placing a service charge on those withdrawals above a certain number within a specified period; that there is a need for changing the method of paying interest to obtain a more desirable actual (effective) rate of interest paid; that one or more of the figures represent changes that are of a temporary nature and therefore should not be used as the basis for making any changes in policy. These are but a few of the many reasons for the need of self-analysis."

The survey reveals several important factors in the operation of a savings department. For example, the operating expense of a savings

department is usually small (Column 5); the amount of interest paid is less than the advertised or contract rate (Column 6); as a general rule the percent of gross income retained as net profit contributes favorably to bank earnings (Column 8).

A comprehensive study of the costs of savings transactions in the smaller commercial banks provided these average cost figures: savings deposits, 23 cents each; withdrawals, 30 cents each; maintenance per savings account, 75 cents per year.

"These figures," continues the report, "were applied to the activity figures submitted by the individual bank. A complete cost analysis program prepared by each bank will reveal item costs which will vary from the above mentioned average figures and will, therefore, result in greater accuracy."

"However, it has been found that the total operating expenses resulting from savings activities are so small when compared with the interest paid that a variation in the use of cost figures for these items will have little effect on the final results. For instance, this study shows that of the total disbursements of the savings department, including 'interest paid,' operating costs represented only 1.27 percent, while 1.02 percent represented interest paid to depositors. Also, since there is much less activity in the savings department as compared with the demand deposit department, these savings department operational costs have proportionately less significance."

What Are "Fair Profits"?

The answer to the question, "What represents fair profits from savings funds?," usually depends upon "the desires and objectives of the management of the individual bank."

"Various factors have considerable influence in determining the interest rate to be allowed, which is the major factor to be considered (CONTINUED ON PAGE 110)

GOVERNMENT BONDS

MURRAY OLYPHANT

Government Market Outlook

THE chief characteristic of the day-to-day Government Bond market is the lack of activity. While it is true that buyers appear to be waiting for perhaps lower prices, it is equally true that sellers are conspicuous by their absence. Once sentiment becomes more optimistic, the lack of supply of Government Bonds will be more evident than it is today. Good values are obtained by buying before everyone else wants to do the same thing. Some of the present plethora of very short maturities in bank portfolios could be shifted advantageously now, out to the six-year and somewhat longer range.

Big Refunding Successfully Accomplished

Refunding the big (\$10,800,000,000) October 1 maturity of 1½ percent certificates with a 14-month 2½ percent note, the Treasury got off with only \$319,000,000 to pay out. As this is less than 3 percent of the maturity, the result was thoroughly satisfactory from the Treasury standpoint.

But while the exchange books were open, the Open Market Committee bought nearly \$700,000,000 of the 1½ percent certificates from holders who were unwilling to accept the new issues. This meant that the Federal Reserve now owns about 75 percent of the new 2½ percent notes and that about one in four of the private and corporate owners of the maturing certificates preferred cash to making the exchange. As corporations were the largest owners of the maturing certificates, it is clear that many of them felt that the 2½ percent rate was attractive and that sales could almost surely be made at premiums in the March and June tax periods. This seemed to be confirmed by the premiums of from one to three thirty-seconds in the market.

What the Open Market Committee Did

Comparison of the Federal Reserve portfolio as of August 20 and October 1, a period which includes both the September 1 and October 1 refunding, shows the extent to which the Open Market Committee found it necessary to lend a hand to the refunding operations:

In Millions of Dollars			
	8/20/52	10/1/52	Change for Period
Bills.....	\$ 375	\$ 397	+ 22 (1)
Certificates.....	11,853	5,001	- 6,852 (2)
Notes.....	5,568	13,774	+ 8,206 (2)
Bonds.....	5,236	4,522	- 714 (2)
Total.....	\$23,032	\$23,694	+ \$ 662 (3)

1. It is noteworthy that so little change took place in the Treasury bill holdings in spite of the tight

money conditions which prevailed for nearly the entire period.

2. The increase in the amount of notes came not only from the exchange of certificates due on October 1 for the new 2½ percent notes but also from the exchange of all the 2¾ percent nonmarketable bonds 1980/75—which remained in the portfolio—for five year marketable 1½ percent notes. The Open Market Committee with \$2,791,000,000 now owns practically all of the 1½ percent notes maturing respectively 4/1/56, 10/1/56, 4/1/57 and 10/1/57; as so far other holders of only \$77,000,000 of the nonmarketable 2¾ percent bonds have made the exchange. As all the 1½ percent notes are quoted at discounts, sales by the Open Market Committee are unlikely until during some later period of easy money.

3. While the Open Market Committee pumped \$662,000,000 of "high powered" dollars into the banking system in the period by buying Government securities, there was *actually an increase of only \$153,000,000 in Federal Reserve Credit* since both loans and discounts and the float were lower on October 1 than on August 20, (\$435,000,000 for the former and \$74,000,000 for the latter), an excellently noninflationary result.

Tax Anticipation Bills on Schedule

Pretty much as anticipated, no sooner was the October 1 refunding buttoned up than along come the first offering of Tax Anticipation bills.

Announced on September 26, the total offered was \$2,500,000,000; the maturity March 18, 1953-161 days; actually 159 days if presented at face value on March 16 (Monday) in payment of income and profits taxes. Oversubscription was assured by the provision that payment could be made by credit to the Treasury Tax and Loan accounts of qualified depository institutions.

Profiting by last year's experience, when the bidding for the T.A.s in October and November was over-optimistic, subscribers this year, mostly banks, seemed to base their bids pretty close to the prevailing value for the regular 91-day bill issue. This can be shown from the following comparison:

	10/17/52	11/20/52	10/3/53
Maturity.....	144 days	201 days	161 days
Average Price Allotted....	1.55%	1.497%	1.72%
Previous Regular Bill Sale..	1.615%	1.585%	1.76%
Approx. Est. Value of Tax and Loan Deposit.....	.065%	.088%	.04%

This was much more realistic or cautious than a year ago. Nevertheless, just as soon as subscriptions had been allotted the value of the tax and loan account, deposit privilege disappeared for other prospective purchasers and the market for the new T.A. bills dropped to the 1.88 percent—1.84 percent range at which levels corporations might be expected to buy consistently.

On the assumption that the new deposits in the banks will not be all withdrawn for a period of around four weeks, it seems very probable that bank purchases of the T.A. bills will have provided a fair return on the investment, defining the investment as the amount of reserves required to cover the deposit increase. Because of the lower percentages of reserves required against deposits, those banks in the country bank classification should as a rule make out somewhat better

than the Federal Reserve City and Central Reserve City institutions.

Treasury Expenses Rising

Somewhat greater receipts from taxes in September failed to keep pace with growing expenses for the U. S. Treasury. As a result, the budget surplus for the month of \$515,000,000 was less than half of the surplus for September last year.

But the general fund of the Treasury on September 30 of slightly over \$7,100,000,000 was about \$200,000,000 higher than a year earlier. On October 8 the proceeds of the sale of the Tax Anticipation bills rolled in, raising the general fund to nearly \$9,000,000,000. Last year the deficit for October and November was over \$4,400,000,000. With defense costs rising month by month, a somewhat larger deficit can be looked for this year. This accounts for the Treasury announcement that another offering of T.A. bills can be expected in November, probably to mature on June 15.

Debt Shows Small Decrease

For September the U. S. public debt decreased a little over \$500,000,000.

Public issues declined \$265,000,000.

Nonmarketable obligations decreased \$292,000,000.

Redemptions of U. S. Savings Bonds exceeded new sales by about \$86,000,000; but the record for recent months has shown considerable improvement over last year as the campaign to increase Pay Roll Savings plan continues to make progress.

Seasonal Rise in Loans Evident

During September, the combined total of business, real estate, and consumer loans continued to rise. The increases were:

Business Loans	\$687,000,000
Real Estate Loans	70,000,000
Consumer Loans	105,000,000
Total	\$862,000,000

In midmonth a very sharp rise in business loans for two weeks was attributed to borrowing for tax payments, as thereafter the increases moderated and were somewhat below the equivalent weeks one year earlier. The general feeling seemed to be that no undue increase was to be feared. Rumors that the prime loan rate would be raised from 3 percent to 3¼ percent continued, but the rise in loans would have to be considerably accelerated to justify such action or the possibility of any increase in the rediscount rate at the Federal Reserve. Any drastic price rise was not anticipated. The economy was expected to rock along on a full business and employment basis, but not to go on an inflationary binge.

The Treasury Lends a Hand

In the closing days of September, the market for the longer-term Government Bonds declined rather more than the actual volume of selling orders warranted. By the end of the month, the year's previous low prices had been reached for several issues. Over the week end of September 26 (Friday) to Monday the 29, dealers' quotations were marked down by substantial frac-

(CONTINUED ON PAGE 120)

Investment Markets

H. EUGENE DICKHUTH

BOND flotations dominated the market for new issues last month. Offerings of obligations were swelled by the marketing of some 79 issues of Housing Authority securities. Because of the somewhat overwhelming volume, they were marked down in price and, owing to their relative cheapness, they depressed the entire market. However, in due course all issues were absorbed satisfactorily.

All told, bond offerings comprised 127 issues in September, aggregating \$592,071,000. This compares with \$510,349,000 for 45 flotations in August and with \$636,681,000 for 63 issues in September 1951.

NEW stock issues declined to \$43,094,000 for 10 issues in September, against \$60,322,000 for 15 flotations in August. In September 1951 the volume was \$29,234,000 for nine flotations. Public utilities, in line with their expansion program, continued to dominate the market scene. In fact, utilities comprised \$41,414,000, while industrial common stock offerings were \$1,680,000.

The nine months' total for the period ended September 30 aggregated nearly \$6-billion for bonds. The exact figure was \$5,966,868,000 for 714 new bond issues. This compares with \$4,060,762,000 for 552 flotations in the corresponding period of 1951. Bond issues so far this year were the largest for the nine months' period since 1926.

STOCK flotations in the first three quarters were \$836,536,000, covering 146 new issues. This compares with 95 issues in the like 1951 period. Indeed, this year's offerings so far have been the largest for the nine months of any year since 1946.

So far as the general market outlook is concerned, rising interest rates are a primary factor. A higher money curve, generally speaking, should act as a deterrent to an improvement in bond prices for the time being, since existing issues adjust themselves almost automatically to the new yield curve by declining in price.

However, it is just barely possible that the demand for investments by all sorts of institutional investors is so great that there will be more buyers than sellers regardless of the amount.

IF this should be the case, it could easily be offset by the adjustment to lower prices. Therefore, some dealers who suggest that a plethora of funds will be coming into the market during the coming months seem to bank on continued stability of bond prices despite the tendency towards higher interest rates in all segments of the financial markets.

The investment markets will also be subject to influences of the general economy, of the defense program, and of the action of equities on the stock exchanges. It is widely agreed that inflationary and deflationary tendencies will offset one another over the next six months. Thus, it may be assumed with some degree of certainty that in the next few weeks nothing drastic will happen to upset the relative equilibrium of trading in new issues.

Banks Light Up

WILLIAM C. HOCH, JR., and GEORGE T. ANDERSON, JR.

The authors are lighting engineers with the Philadelphia Electric Company.

STIMULATED by the advent of Friday evening openings, more than 40 banks and branches in the Philadelphia area have installed new, high-level lighting since 1950.

The predominance of this lighting has been in the form of incandescent lensplate and prismatic-reflector downlights because of the vaulted ceilings usually found in existing banks. Large wattage (300-1,000 watts) fixtures, often grouped together in units of four or six fixtures, can be used at these heights without encountering excessively high brightnesses. Thus, fewer fixtures, at a lower cost per fixture, are required for an incandescent system than for a fluorescent system providing equal illumination. Coupled with lower wiring and mounting costs, this results in a low initial cost for incandescent compared with fluorescent lighting.

Equally important, the maintenance cost of a fluorescent system comprised of long, unwieldy tubes, transformers, bulky fixtures and starters, is always higher than an incandescent system. At great heights, the maintenance problem is drastically magnified. The incandescent systems are often serviced from lofts above,

but fluorescent fixtures, because of their size and weight, require service from scaffolds erected on the floor. Another factor favoring incandescent lamps is the comparative ease with which they can be built into existing configurated ceilings or other architectural elements. These factors dictate against the use of fluorescent units in most old banks.

Fluorescent sources have been ordinarily reserved for ceiling heights lower than 16 feet, where the low brightness of this diffuse source makes it ideal. It has also been used to secure special effects, as in coves, which are often supplemented by downlights.

The basic illuminating engineering designs resulted in average lighting loads of five to six watts per square foot to maintain a light level of 30 footcandles. Where fluorescent fixtures are used, a load of three watts per square foot is commonly used. This maintains 35 to 40 footcandles.

The officers of these banks have endorsed unanimously their new lighting system. Among the reasons for their satisfaction are "no further dependence on daylight on a dark day or late in the afternoon," "fewer bookkeeping errors to track down," "frequent customer compliments," and "a more cheerful building environment." The light in these banks at 8 P.M. Friday is often better than it ever was Monday morning.

Lighting for the West Philadelphia branch of the Philadelphia Saving Fund Society, is provided by 25 500-watt semi-recessed incandescent prismatic reflectors with concentric louvers. Softly lit globes add a touch of decoration without interfering with the general lighting system

An efficient lighting system consisting of custom-built incandescent lens plate units furnishes 25 footcandles of illumination from a 23-foot ceiling for the Land Title Bank and Trust Company. Four 300-watt lamps are used in each fixture. Because of multiple lamp units, burned-out lamps are replaced only over the week-end





ABOVE

The new office of the Pennsylvania Company for Banking and Trusts features a specially constructed cove housing 150-watt reflector lamps on 12-inch centers for indirect lighting and continuous fluorescent two-lamp troffers for a direct component. The lighting ranges from 70 footcandles under the unit to 20 in the customers' area. This design won the General Electric Award for its designers, Howell, Lewis & Shay, architects, and George E. Shoemaker, engineer



ABOVE

A combination cove and downlighting system provide lighting for the Saving Fund Society of Germantown. The colonial atmosphere was preserved by unobtrusive, functional lighting, leaving the massive chandeliers, lamped with low wattage flame-shaped lamps, hanging in the original locations. Recessed, louvered, mirror-glass reflectors are used, lamped with 500-watt lamps through the center and 300-watt lamps in the side areas. Forty 93-inch 20-millimeter white fluorescent high-voltage lamps are used in the cove. Ceiling height is 36 feet in center area and 24 feet in side area. Twenty-five footcandles of illumination are provided by this attractive lighting system

BELOW

A modern system of fluorescent continuous panel lighting and recessed incandescent downlights furnishes 115 footcandles of illumination in the side banking areas and 50 footcandles in the center customer area for the Central Penn National Bank. The custom-built recessed, louvered, fluorescent troffer is six lamps wide, continuous end-wall to end-wall. Ninety-six-inch 430 MA slimline fluorescent lamps are used. The downlights contain 500-watt bipost lamps. This is an outstanding example of using the fluorescent lamp for lighting from a 15-foot ceiling. Higher ceilings offer difficult maintenance problems



BELOW

The main office of the Western Saving Fund Society obtains 33 footcandles of uniform illumination from 200-watt round lens-plate fixtures on 5-foot centers built into 12-inch tiles. Walls are of natural wood and glass. The terrazzo floor, with a reflection factor of 25 percent, reflects light back to the ceiling. This softens the contrast of the fixtures against the ceiling and increases overall efficiency



THE FAMILY DOLLAR

EARL S. MacNEILL

Vice-president, Irving Trust Company, New York

Christmas Is the Time for Giving

THE familiar slogan might well be revised to broaden its scope: "Do your Christmas *plan-*ning early."

The gifts this article will deal with are not the usual holiday items. They're gifts of money, securities or other productive property—gifts designed to scatter income among the lower tax brackets of dependent members of the family and, incidentally, to reduce estate taxes.

Estate tax savings are referred to "incidentally" because, if a desire to save estate taxes emerged as a dominant motive in making the gift, it could then be claimed that the gift was made "in contemplation of death" and the penalty might be that the value of the gift would be added right back into the giver's estate for estate tax purposes. The Supreme Court of the United States has upheld the Government in so claiming.

That's a nice concept of the old English common law: contemplation of death. In its earlier application you can picture it this way: The lord of the manor is dying in a rather lingering way. He gathers his family about him. To his wife he gives the town house; to his son, this farm; to his daughter, that cottage; and to all, neat stacks of mortgages or bonds. There is not much left for his will to dispose of; that is, there is virtually no *testamentary* estate. "We'll get you anyway," says the tax collector, later figuratively addressing the deceased, "for you gave away these valuable assets in contemplation of death. Therefore we'll count them as part of your taxable estate."

A Phase of the "Eternal War"

For a long while this doctrine of "contemplation" was applied only where death was relatively near, or where circumstances such as illness or old age might bring the fear of death to mind even though death might actually be rather long deferred. But it is in the nature of the eternal war between the tax-gatherers and the taxpayers that when the tax-gatherers seize a position they fortify it and go on to take another. Eventually they reached the

taxpayer's very inmost citadel, as it were: if his *intent* was to save estate taxes, then by his intent should he hang—a variation of the aphorism about being hoisted on one's own petard . . . to stay in the realm of warlike similes.

Desperately the taxpayers made a sortie; that is, in recognition of the complexity and cost of litigation on the subject of "contemplation," an amendment to the Estate Tax Law passed in 1950 which fixed a three-year deadline. If a gift is made prior to three years before death, it is *not* taxable, regardless of motive. If within three years of death, it can be taxed as made in contemplation of death unless convincing evidence is offered of motives associated with continued living.

Why Christmas?

Motives associated with continued living—and Christmas contemplates just that. It is the time of year associated with *living* and *giving*. People are happy with thoughts of the happiness their gifts will bring. It is the practice in many families to concentrate gifts of cash and securities in the holiday season—to make a practice of giving each year-end, so that a *pattern* of giving develops. On numerous occasions the courts have sustained such a pattern as proof of life-thinking rather than *death*-thinking; thus gifts so made have not been included in the giver's taxable estate.

They might be subject to gift taxes in the year they're made—of course. But there's a \$3,000 exclusion with respect to each recipient, as is commonly known; and this may be increased to \$6,000 where the gift is made by a husband to his wife, or vice versa; or where either husband or wife makes a gift to another and the spouse of the giver contributes, as it were, the use of her or his exclusion. Furthermore, there's a "lifetime" exemption of \$30,000 (which may similarly be doubled in the case of a married pair) applicable to all gifts in excess of the annual exclusions.

Add the facts that family income taxes may be reduced by spreading the family income among its

lower-bracket taxpayers, as earlier mentioned; that gift tax rates are 25 percent lower than estate tax rates; and that a gift, properly made, cuts the estate tax at its top bracket rate, whereas the gift tax will probably come in a lower bracket—add these facts, and the economy of programmed Christmas-time giving becomes apparent.

And *do your planning early*, as we said at the beginning. Particularly if the gifts will involve establishment of trust funds. There will be need for legal advice and the drafting of legal documents.

Your lawyer should be given time to do his work thoughtfully and carefully.

How Not—and How—To Make Legacies of Corporate Stock

I GIVE to my son, John, 100 shares of the American XYZ Corporation." So read the will of John Alden, Sr. At the time he signed his will, Alden owned 100 shares of American XYZ. Later the stock was split, 2 for 1, so that Alden owned 200 shares. Then there was a 25 percent stock dividend that increased Alden's holding to 250 shares. This was followed by distribution (in the form of a stock dividend) of stock in the RST Corporation, a subsidiary of American XYZ. Alden received 50 shares of RST. In one final reorganization of its corporate structure, XYZ issued to Alden 10 shares of preferred stock. Then Alden died.

What did his son, John, receive: 100 shares of American XYZ common? Or 250 shares of common and 10 shares of preferred, plus 50 shares of RST? Or something in between?

Much depends upon the state the senior Alden lived in; much also upon the state of mind of the judges of that state at the particular time they were asked for a decision.

The Prevailing Rule

The old English rule, and the still-prevailing rule in most of our states, is that a gift of a certain number of shares does *not* pass a stock dividend declared *after* the will was made, in the absence of some affirmative indication of an intent to do so; nor does it pass shares in subsidiary companies which were divided among stockholders of the principal company.

Yet the opposite rule has long prevailed in the case of split-ups. The courts have recognized that the split-up has in no degree increased the *proportionate interest* of the stockholder in the company.

So, in most states, son John would have received 200 shares of American XYZ common. The remaining 50 shares, plus the preferred, plus the stock in RST, would have gone according to the "rest, residue and remainder" clause of Alden's will.

But a trend is developing to recognize that there is no essential difference between a split-up and a stock dividend. The form is changed but the substance—which is proportionate ownership—remains unchanged. In states which follow the proportionate interest rule through to its logical conclusion, John, Jr., would have received *all* of the American XYZ stock, common and preferred, and the RST stock also.

And this was probably what John Alden, Sr., intended. He prized this so-successful investment and wanted his son to have it—all of it. Most people would have a similar intent. They think of their stock, not as a piece of paper, but as a fraction of ownership; and if it happens that the fraction comes to be represented by several pieces of paper, they still want to give the fraction they originally owned.

All this is mentioned because it is news. Not



"I pay taxes, buy defense bonds, and deposit the rest here. You, I find out, invest it in Government bonds. Do you realize that by your action every red hot cent of my money has wound up in Washington?"

the kind of news that makes headlines, but the kind that appears in reports of the annual meetings of the American Bar Association. At the 1952 meeting, its Fiduciary Law and Procedure Committee discussed the effect of corporate reorganizations on specific bequests of stock. It recommended the use of *clear and plain language* in the will to indicate the will-maker's intent—leav-

ing nothing to unanticipated corporate action and nothing to judicial interpretation. Any reader of this who has made specific gifts of shares of stock in his will would do well to take a second look at the instrument and make sure that his intent—whether to include stock dividends and such, or the opposite—is expressed in language free of the slightest cloud of doubt.

Tax Hint-of-the-Month

OUR suggestion this month involves no novelty. Yet, from observation of the many wills that pass over their desks, officers of trust companies are impressed—and it might be truer to say dismayed—by the extent to which the principle involved is disregarded.

For example, a man has about \$125,000 of miscellaneous assets that he can dispose of by his will. Our man (we can call him Barstow), who is happily married, deems it the natural and proper thing to leave everything to his wife; and he does so.

Now it happened that there was, on top of the \$125,000 of assets that passed by Barstow's will, a home worth \$35,000 in the joint names of Barstow and his wife; this belonged now to the wife as the survivor. Also, Barstow had \$90,000 of life insurance that was paid in a lump sum to his wife.

Let's analyze Barstow's estate tax situation. The \$125,000 made up of assets that passed by virtue of his will was taxable, of course. So also was the \$35,000 home, jointly owned, since it was his money that had bought it. And so was the \$90,000 of life insurance, since Barstow had paid the premiums.

Before the Revenue Act of 1948, an estate of

\$250,000 (*net*, after debts, funeral and administration expenses, disregarded here for simplicity's sake) would have paid a Federal estate tax of \$45,300. But since 1948 we've had the marital deduction. Up to half of an estate can qualify for the marital deduction by being left outright to the wife, or otherwise being made taxable in her estate. Because all of Barstow's taxable estate had been left, in one way or another, outright to Mrs. Barstow *more than half* of his estate in such a way could claim the *maximum* marital deduction, thereby reducing the net taxable estate to \$125,000 and the tax to \$10,700.

So far, so good. But upon Mrs. Barstow's death—assuming she had a few assets of her own when Barstow died, and kept intact the \$250,000 (less \$10,700) that Barstow left her—she would have an estate of about \$240,000, and the Federal tax on that would be about \$42,540.

Barstow's Mistake

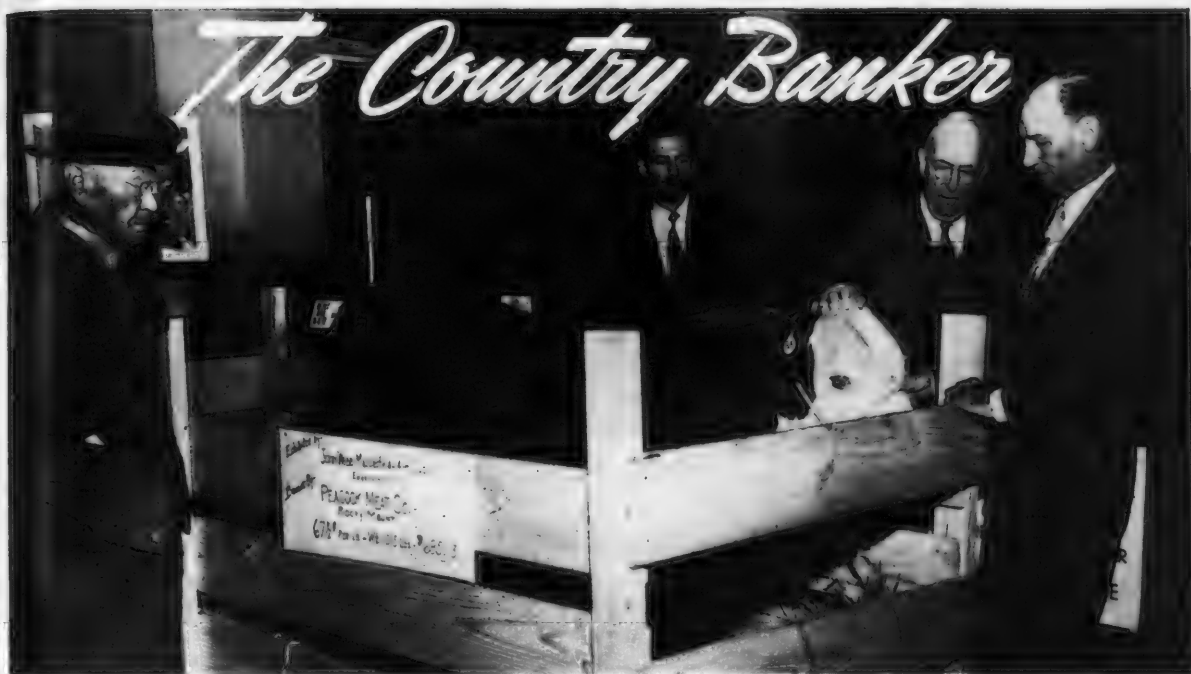
The mistake her husband made was to give Mrs. Barstow *more than half* of his estate in such a way that it would be taxable in *her* estate when she died. What Barstow might better have done is this:

Let the jointly owned home and the life insurance stay as they were. But his will would provide that the \$125,000 of miscellaneous assets, less taxes and expenses, would be held in trust for his wife, she to receive the income for life—and principal, too, if the trustee deemed she needed it. Upon the wife's death, the principal of the trust would be distributed among the children, if any, or otherwise disposed of as Barstow's will might direct. Mrs. Barstow would have no power to dispose of this by her will, nor would it pass to her heirs by virtue of her having made no will. Therefore it would not be taxable again in her estate.

The facts are streamlined so that the principle might more plainly stand out: that by saving the *second* tax on so much of his estate as exceeded the amount of the maximum marital deduction, Barstow could have saved his ultimate heirs the not inconsiderable sum of \$31,840. And had Barstow been wealthier, the saving proportionately could have been much more.



"I hate to go out in a world where politicians are such kissing bugs!"



This "live" exhibit in the lobby of Peoples Bank & Trust Company of Rocky Mount, shows, besides the Grand Champion steer for 1952 at the Eastern North Carolina Fat Stock Show, facing camera at right, left to right, "Pat" Patterson, agriculture and livestock agent, Atlantic Coast Line Railroad; Frank P. Spruill, Peoples' president; and Mr. LeCroy

Guide to a Farm Program in Easy-to-Read Outline

T. H. LeCROY

Among the country banks that have experienced gratifying success with their farm relations programs is the Peoples Bank & Trust Company of Rocky Mount, North Carolina. At the request of the Federal Reserve Bank of Richmond, Mr. LeCROY, who is the bank's farm relations officer, effectively translated into an easy-to-follow outline the objectives of his bank's farm program and the pattern followed in putting it into practice. His outline is presented in the hope that bankers elsewhere will find it of value in serving their agricultural customers

Objectives

- (1) To push livestock development.
- (2) To assist individual farmers in solving their individual farm problems in financing, production, marketing and conservation.
- (3) To promote public programs

for farm and community development.

(4) Assist county farm agents, teachers of agriculture, soil conservation service and forestry service in farm, community and youth programs where financial or other assistance is needed and can be secured.

(5) To operate farms handled by the trust department.

(6) Make appraisals of real estate for mortgage loans.

(7) Make inventory appraisals of property for trust department.

(8) Secure renters, set rent values, and plan repairs to buildings on farm properties handled by but not operated by the trust department.

The Bank's Agricultural Program

(I) Livestock Development:

- (1) Serve on committees of Rocky

Mount Fat Stock Show and feeder calf sale.

(2) Cooperate with county agents and vocational agriculture teachers in locating and placing beef calves and brood sows with 4-H Clubs and FFA members.

(3) Help to arrange financing for boys and girls in purchasing calves and hogs.

(4) Help to promote stock sales at Lancaster's Stock Yards.

(5) Assist individual farmers in development of livestock programs for their farms and plan financial needs. Take applications for livestock loans based on planned needs.

(6) Assist in securing breeder flocks of poultry for local hatchery.

(7) Hold caponizing demonstrations and help poultrymen to caponize chicks for home and market.

(8) Help individuals in management of bee colonies.

(9) Assist individual farmers to secure at prices within their reach

or sell better breeding animals.

(10) Assist in promotion of Twin-County Artificial Insemination Association.

(II) Conservation:

(1) Work with AAA and Soil Conservation Service in promoting soil conservation.

(2) Help individual farmers in plans for soil conservation and seeding of legumes.

(3) Help to arrange financing where needed for soil conservation practices, including seed, fertilizer, and timber seedlings.

(4) Help individual farmers in proper timber conservation and cutting.

(III) Farm Organization:

(1) Assist Farm Bureau in Nash and Edgecombe counties in developing programs for agriculture.

(2) Help in membership drives for Farm Bureau in Nash and Edgecombe counties.

(3) Attend all Farm Bureau meetings in Nash and Edgecombe counties.

(4) Work with agricultural committees of Chamber of Commerce and civic organizations in promoting agricultural programs.

(IV) Education:

(1) Keep posted on current educational programs.

(2) Assist in rural school programs where practical or needed.

(3) Assist in farmer night classes conducted by vocational agriculture departments.

(4) Help with training programs for veterans, where possible.

(5) Help to provide additional training for out-of-school youth where possible.

(V) Food Production, Conservation, and Distribution:

(1) Make available reference materials and garden charts for gardeners.

(2) Help to educate farmers and others as to use of freezer lockers.

(3) Help in farmer meetings on food production.

(4) Assist individuals with garden planning and insect control.

(5) Help individual farmers in



Mr. LeCroy, right, talks with Robert Boseman, Nash County dairyman, about plans for a new milking parlor

orchard pruning, spraying, and care.

(VI) Better Crop Seed:

(1) Encourage farmers to plant certified seed.

(2) Assist individual farmers in certifying crops for seed production.

(3) Assist individual farmers to secure financial assistance in purchasing certified seed, where needed.

(4) Aid individual farmers in locating certified seed.

(5) Aid individual farmers in selling certified seed.

(VII) Tobacco:

(1) Assist farmers in selling tobacco on local market.

(2) Provide tobacco seed cleaning service (have seed cleaned at ——— warehouse).

(3) Assist Tobacco Board of Trade in promoting local market.

(VIII) Farm Health and Hospitalization:

(1) Assist Health Department in Nash and Edgecombe counties in promoting better farm water supply, sanitary toilets, and pest control.

(2) Encourage hospitalization insurance for farm families.

(3) Assist, where needed, in farm drainage projects for mosquito control.

(IX) Farm Youth:

(1) Assist Jaycees in annual Rural Youth Day exercises.

(2) Assist 4-H Clubs in annual Field Day programs.

(3) Assist rural boys, where possible, to secure additional education

or training and offer guidance in choice of occupations.

(X) Home Improvement:

(1) Assist farmers in planning home improvements.

(2) Assist in getting additional rural electric lines constructed by helping with applications, preliminary surveys, and educational work with potential customers.

(XI) Farm Machinery:

(1) Advise with farmers on using machinery in their farm programs.

(2) Assist local dealers in farm machinery demonstrations.

(XII) Rural Churches:

(1) Assist in rural church landscaping and beautification.

(2) Secure references and provide information to rural churches on activity programs.

(3) Attend and assist rural churches in special programs and activities.

(XIII) Publicity:

(1) Use calling cards.

(2) Write informational and news stories for local newspaper where indicated.

(3) Write letters to heads of other agricultural agencies in territory outlining services.

(4) Send letters and other materials to farmer customers of bank outlining services.

(5) Help with radio programs where possible.

(XIV) Farm Operation:

(1) Supervise farm operations of estates owning farms and being handled by the trust department as administrator, executor, guardian, or agent.

(2) Help with appraisals, rentals, and repair planning of estates handled by trust department.

(3) Help solicit farm trust business.

If you fly through country roads in a powerful car at night, you feel as if you had escaped into another world. And you actually may at the first curve in the road.

FIELD WAREHOUSING

Warehouse Receipt Loans Against Inventory

Warehouse Receipt Loans are an integral part of commercial banking, widely used by business to release working capital tied up in raw materials and finished products for more profitable employment . . . but moving goods to distant warehouses is expensive, inconvenient and in many cases impractical because of the type of goods to be warehoused. Our Field Warehouse Service is a convenient and economical way of establishing a bonded public warehouse right where the goods are . . . on the borrower's own premises. Our Field Warehouse Service enables you to give maximum credit service to your customers requiring accommodations in excess of open line limits with minimum risk.



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Interested? We'll be glad to send you detailed information of available plant sites (some with potential rail sidings). Address Industrial Development Dept., Room 239, Union Pacific Railroad, Omaha 2, Nebraska.

UNION PACIFIC RAILROAD

Bankers' Ag School Ideas

WRITING in October **BANKING**, John J. Macklin, director of the New York State Bankers Association's news bureau, discussed the objectives and program of the Agricultural School for Bankers, conducted at the Agricultural College of Cornell University, Ithaca.

The NYSBA supplements the Macklin article with a few general suggestions for conducting similar schools in other states, either two-day affairs or of a week's duration:

(1) No outside reading or study assignments. Tell persons doing teaching that they must get it across in classroom or on field trip.

(2) Have available looseleaf notebooks with *all* material to be distributed by teachers in them.

(3) Good balance between classroom lectures and field trips. Classroom lectures in morning and field trips in afternoon work well. Shift group each hour between rooms.

(4) Have buses for field trips—and good ones. Saves time, permits more stops, and allows instructor to talk while in bus.

(5) Don't make students go to school at night, but provide something to do for those who wish to participate; e.g., educational or entertaining movies, softball, horse-shoes.

(6) If you have course on a subject running all week, use the same instructor.

(7) If you use college professors for teaching a week's course, pay them modest honorarium and insist on their full time. This will protect them from encroachments.

(8) If school is held on college campus, don't give "college credit," or have examinations. Bankers are there for what they can get out of it rather than college credit. Examinations are a waste of time if you have good teachers.

(9) Suggest certificate or diploma for men completing course.

(10) If school is longer than two days, have definite registration and curricula and stick to them; i.e., avoid distractions such as: "What lecture are you going to this hour?"

(11) Collect one fee from registrants that covers *all* expenses, board-lodging, bus hire, books, overhead, etc. Don't ask college people to make collection.

The late
Herbert F. Rawll,
founder of
Christmas Club,
A Corporation



CHRISTMAS CLUB

a corporation

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Herbert F. Rawll Memorial Awards Competition

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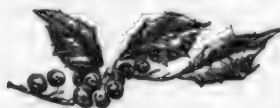
A staff representative will be glad to give
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The **Recordak Triplex Microfilmer** records documents down one side of the film, then up the other—fronts, or fronts and backs, consecutively. High reduction ratio—up to 35-1. Accommodates automatic feeder . . . and auxiliary film units for recording on the full film width in varying reductions. Prices—including one film unit: Purchase, \$2900; Rental, \$60 per mo., including film reader.



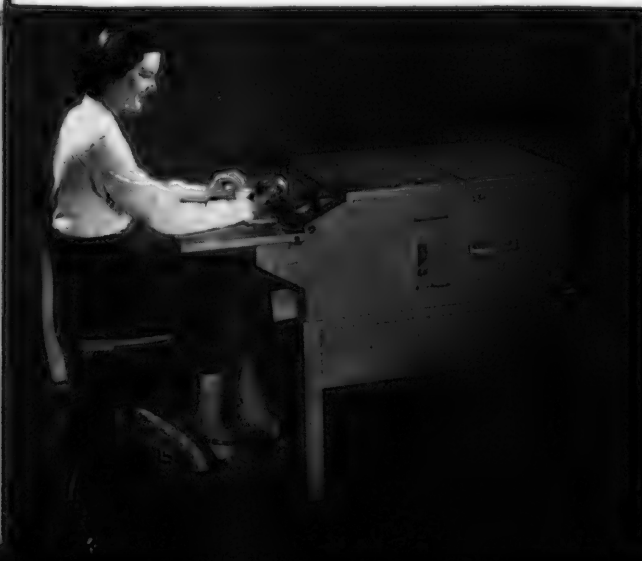
The **Recordak Duplex Microfilmer** records fronts and backs of documents, side by side, simultaneously. Accommodates automatic feeder and auxiliary film units for recording down one side of film, up other, and for full width recording. High reduction ratio—up to 35-1. Prices—including one film unit: Purchase, \$3600; Rental, \$70 per mo., including film reader.

The **Recordak Bantam Microfilmer** gives you the greatest number of pictures per foot of film; features a built-in automatic feeder . . . and readily interchangeable lens kits for microfilming at 4 reduction ratios up to 40-1, highest available today. Prices—including one lens kit: Purchase, \$1800; Rental, \$43.50 per mo., including film reader.



The **Recordak Commercial Microfilmer**, designed for medium requirements, records fronts, or fronts and backs consecutively . . . across the full width of the film. Prices—including one film unit: Purchase, \$950 to \$1975, depending upon model; Rental, \$30-\$42.50 per mo., including film reader.

The **Recordak Junior Microfilmer** is the ideal machine for light requirements. It photographs documents up to 11 x 14 inches instantaneously . . . across full width of film. A film reader is an integral part of this unit. Purchase Price, \$1250; Rental Price, \$20 per mo.



NEWS *for Country Bankers*

This department is edited by
MARY B. LEACH of BANKING'S staff.

Ag Conference Speakers

ADDITIONAL speakers on the program of the American Bankers Association's national meeting of Agricultural Representatives of Banks at the Kentucky Hotel, Louisville, on November 13-14, have been announced by W. W. Campbell, chairman of the A.B.A.'s Agricultural Commission. The advance program was reported in October BANKING (page 64). Here are the additions:

First Session, 9:30 A.M., November 13: "Lending to Young Farmers" by R. B. Stratton, assistant cashier, Security Trust and Savings Bank, Billings, Montana.

Dinner Session, November 13: Everett D. Reese, newly elected vice-president of the A.B.A., who is president, Park National Bank, Newark, Ohio. As previously announced, Dr. Frank Welch, dean, College of Agriculture, University of Kentucky, will also address the dinner.

Third Session, 9 A.M., November 14: "Servicing Agricultural Loans" by Don W. Schooler, assistant cashier, The Citizens National Bank, Chillicothe, Missouri.

Fourth Session, 2 P.M., November 14: "Country Bank With a Part-time Representative" by J. G. Dickerson, vice-president and cashier,

Union Bank and Trust Co., Amelia, Virginia; "Country Bank With a Full-time Representative" by C. H. Mullendore, executive vice-president and trust officer, First National Bank, Miami, Oklahoma; and "Agricultural Program for a City Bank" by George V. Gaines, director of farm development, Citizens & Southern National Bank, Atlanta, Georgia.

Banks Supply 5 Tree Planters

FORTY-EIGHT banks in seven north central Wisconsin counties bought five tree planting machines at an approximate cost of \$1,000 each, which have already resulted in planting 830,000 trees in these counties. The counties—Wood, Marathon, Taylor, Oneida, Vilas, Forest, and Clark—are largely dependent on the sustained flow of forest products for their economy.

John L. Stauber, executive vice-president of the Citizens National Bank, Marshfield, Wisconsin, who has taken the lead in this worthy endeavor, reports on the plan of operation as follows:

"Landowners work out details for the use of the tree planting machine with their county agent. When a request is made, the planting site is checked by a representative of one of these agencies: county agent's office, Soil Conservation Service, State Conservation Department, or Trees for Tomorrow, Inc. The landowner is given a tree planting plan



Key banker leaders check over the agricultural program of the Georgia Bankers Association's County Key Banker Convention in Macon. *Left to right, seated*, R. P. Steptoe, public relations director, Kentucky Bankers Association; W. G. Williamson, chairman, agricultural committee, GBA, and vice-president and cashier, Citizens Bank, Vienna; and Freeman Strickland, GBA president and vice-president, First National Bank, Atlanta; *standing*, W. N. Downs, assistant vice-president, First National Bank & Trust Co., Macon; and Henry S. Cohen, GBA vice-president and executive vice-president, Moultrie National Bank

advising him on the proper species and the number of trees required.

"The charge for the machine is \$2.50 an hour, which includes the cost of one man . . . The landowner furnishes a tractor and two additional men to operate the machine. A minimum of 2,000 trees for field planting, or 1,000 for shelter belts, is planted for each owner.

"To date Trees for Tomorrow has on file requests from 78 landowners to plant 1,500,000 trees next spring. Requests will run approximately 200,000 trees per machine in 1953."

Connecticut's Forestry Tour

THIRTY Connecticut bankers and bank directors took a four-day conducted bus tour through Connecticut, Massachusetts, Vermont, and New Hampshire during September to study forestry, soil, water, and wildlife conservation needs and practices. Tour planners and con-



Time out for the cameraman at the start of the Connecticut Bankers Association's four-day forestry tour through New England

ductors were: A. C. Holland, vice-president of the Hartford-Connecticut Trust Company and chairman, Connecticut Bankers Association's subcommittee on forestry; Dr. Raymond Kienholz, professor of forestry at the University of Connecticut, who arranged contacts en route; and Richard Rapport, CBA executive manager, generalissimo of arrangements.

Soil Conservation Service technicians and state forestry experts were picked up en route and, through the use of a loud speaker, were able to explain conservation methods practiced in their respective areas.

Forest Protection Results

CONTINUED emphasis on adequate forest protection is paying real dividends in the United States, says American Forest Products Industries. In its annual analysis of the forest protection picture around the country, AFPI this year points to the fact that losses from woods fires during 1951 were the lowest in history.

Only 10,780,622 acres of woodland were burned in the United States last year—one-third less than the previous all-time low recorded in 1949. Sixty-seven percent of last year's fire losses occurred on the 63,624,000 acres of woodland still without an organized system of protection.

Thirty-one states provide protection for all of their woodlands, the AFPI report states. All but 9.9 percent of the wooded area covered in the report is protected.

Nearly 200 Louisiana bankers, Soil Conservation supervisors, and farmers were luncheon guests of the Allis-Chalmers Manufacturing Company at its proving grounds west of Milwaukee during a soil conservation tour through five north central states

President Bailey, aided by Farmers Gus and Wm. L. Collins (in overalls) tell the Point IV visitors about agricultural achievements in the U.S.A. V. P. Varde, honorable managing director, Bombay Provincial Coop Bank, and M. S. Nadkarni of the Reserve Bank of India, center and right, respectively



A total of 164,085 woods fires were reported last year compared to 208,394 in 1950. Thirty-five percent of these occurred on unprotected land.

Point IV Visits Clarksville

THE First National Bank of Clarksville, Tennessee, whose president is C. W. Bailey (1946 president of the American Bankers Association), was signally honored recently by the United States State Department. First National was singled out by the Department to be host to some 35 foreign delegates on a five-farm tour in Montgomery County.

These delegates came to the States to attend the International Conference on Agriculture and Co-operative Credit at the University of California. (See Bratter article on page 45 for further details of this Point IV program.) At Clarksville they were given a post graduate

course in Clarksville's "Four Pillars of Income" agricultural economy introduced by President Bailey some 15 or 20 years ago.

Cooperation is Bankers Job

BANKERS as leaders of the business community must think in long-range terms to supply credit to support increased agricultural production, said Dr. Lewis Webster Jones, president of Rutgers University, New Brunswick, New Jersey, at the agricultural breakfast meeting during the 78th annual convention of the American Bankers Association.

Mr. Jones' remarks included the following:

"In the future, we face the prospect of more limited land for production and an increased population. At our present rate, by 1975 we can expect 200,000,000 persons. The food for this increased population must come through more skill, more applied knowledge, and new consumption habits.

"We will have to reclaim land which was abandoned because it had been subjected to bad farming, and put new acres to work. We can accomplish this through application of the knowledge and of the newly developed varieties of crops, through soil conservation practice, and through the application of such things as supplemental irrigation and fertilization which are the work of the land grant colleges. In this picture, the rural bankers are the people who help in the application of the accumulated knowledge of the colleges. The bankers collect the savings of the community and channel it into productive enterprise.

(CONTINUED ON PAGE 132)



SCS Farm Plans An Asset to Country Bankers

J. CARLISLE ROGERS

MR. ROGERS is vice-president of The First National Bank of Leesburg, Florida; is a past president of the Florida Bankers Association; and was FBA secretary for nine years.

He instituted FBA's program of conservation awards to outstanding Florida farmers; has served as a member and as chairman of FBA's agricultural committee; and has been a director of the Florida Forest and Park Association.

While serving as secretary-treasurer of the Florida Association of Soil Conservation District Supervisors, MR. ROGERS helped to draft a memorandum of understanding between the soil conservation districts and the Extension Service of the University of Florida.

EVERY day or so, someone asks me some of these questions and many more: "What is the Soil Conservation Service?—what does it do?—who is included in the set-up?—isn't it the outfit that dishes out funds to people for carrying on common sense conservation practices?—who runs it?—is it another bureaucratic organization conceived in Washington muscling in on the field of agriculture?"

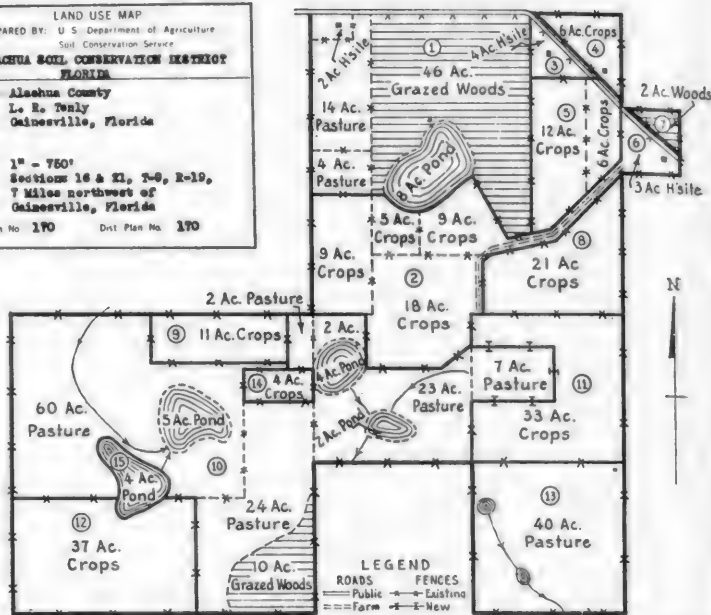
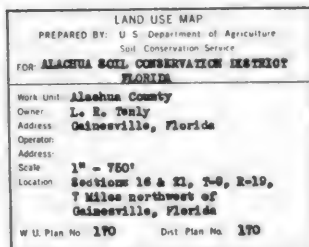
In brief, soil conservation districts are a true example of local self-government.

Most state laws provide that each soil conservation district shall have five supervisors (commissioners or directors). These supervisors form the governing bodies. They must be local citizens, and usually they must be active, landowning farmers, ranchers or citrus growers.

Through the board of supervisors, local people formulate their own conservation program. The agricultural and economic conditions within the district are carefully studied by the board or by duly appointed committees. Needed advice is obtained from both state and Federal governments, as well as from private agencies.

Technical Help

The Soil Conservation Service furnishes technical help to the district on the basis of an agreement with



The SCS farm plans discussed by Mr. Rogers consist of five components, one of which, the land use map, is shown above

the board of supervisors or governing body. This agreement includes a promise that SCS technicians will be removed from a district on 60 days' notice from the board. You can readily see that this provision will automatically protect the soil conservation districts from bureaucratic control.

In Florida, we have a memorandum of understanding between the Extension Service of the University of Florida and the State Association of Soil Conservation District Supervisors which recognizes the fact that each has its part to play in protecting and developing the wonderful resources of our state.

It has been a great privilege to serve as chairman of the board of Lake County Soil Conservation District since it was organized about seven years ago. In addition, I have, for several years, had the privilege of serving the State Association of Soil Conservation District Supervisors as secretary-treasurer.

The opportunity to get behind the scenes and to look at these worthwhile endeavors has brought home to me as a banker the great challenge that faces all of us in the field of conservation. Bankers should be

interested in doing something about our natural resources and at the same time improving our pastures, protecting our forests, and reestablishing supplies of game and fish by maintaining sound conservation practices.

Recently our Lake County Board of Supervisors unanimously went on record favoring the early discontinuance of the conservation allotment checks. We feel that it is high time the Government should try a little economy and see if it is such a bitter pill, after all.

Farm Plans

I have all too hurriedly tried to tell something about a Soil Conservation Service District. Now I will try to report on the farm plans prepared by the technicians of the Soil Conservation Service.

The plan itself consists of the following:

(1) Aerial map of farm with the lands on the farm classified according to their use capability, based on the kind of soil, degree of slope and amount and extent of erosion. The land use recommended in the farm plan for each field is based on the

(CONTINUED ON PAGE 68)

Chrysler Airtemp

Comfort Zone

AIR CONDITIONING



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In existing buildings, Chrysler Airtemp's famed "Package" Air Conditioner—the world's first self-contained unit—provides a ready answer to cooling problems. It can be installed with either duct or free air discharge—in every size and type of building—quickly and at low

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SCS Farm Plans An Asset to Country Bankers

(CONTINUED FROM PAGE 66)

soil, slope, and erosion conditions and the treatment is designed to provide adequate erosion control and other practices to insure increased productivity in a plan of systematic farming. There are eight classes of land according to use capability which are shown in color on the conservation survey map. Land capability classes found on a farm may be readily distinguished according to the colors and definitions of each capability class shown on the survey map. Capability "A" subclasses are those requiring drainage for use, and "B" subclasses are those requiring soil improvement for use.

(2) Land use map drawn to scale, showing present and proposed fences, ponds, woodlands, pastures, etc.

(3) The Farm Conservation Plan itself, listing recommendations for various fields and areas such as terracing, drainage, improved pastures, etc.

(4) Summary sheet listing acreage in crops before and after plan. Land use and livestock before and after plan.

(5) Farmer-District Cooperative Agreement, setting forth what the district has done and agrees to do in helping the farmer carry out his plan. It also covers the farmer's agreement to carry out the provision of the plan.

How to Obtain Farm Plans

A farmer or rancher can secure a farm plan by contacting the technician in charge of the Soil Conservation District in which he is located.

To loaning officers appraising a farm, such a plan is very useful. If one of your customers applies for a loan, offering as security a real estate mortgage on his farm or ranch, a well-prepared farm plan can prove invaluable.

In looking over the plan you can spot the shortcomings of the farm itself. For example: (1) Perhaps it is not large enough to be profitably operated; (2) the plan might show that the land has been row-cropped to death; (3) erosion and loss of fertile top soil will be shown in detail, and advice for rebuilding the land will be incorporated in the plan; (4) the suggested plan of operation and

goals set for the farmer will better acquaint you with the customer's credit needs; and (5) the plan will show the different types of soil and perhaps indicate why the farmer has had crop failures, particularly when crops have been planted on land not adapted to that certain crop.

I want to point out that the Soil Conservation Service, like all of us, is not infallible. Comments about the recommendations should be asked from your county agents or other extension workers.

Every banker should be well acquainted with his county agent, Soil Conservation Service technicians, vocational agricultural teachers, Production Marketing Association representatives, and other professional agricultural workers. In these men he has advice and counsel that will greatly assist him in making sound loans and in keeping them sound. Take advantage of their readiness to serve you; you will never be sorry.

Any interest shown in the farmer will pay great dividends. He needs your advice and counsel as well as credit accommodations.

On-the-Farm Pictures

When visiting farms, take a camera along. Take some shots of the home, the farm and other buildings. I have found that a picture of a prize bull, a barn, a horse, pasture land, and sometimes of the family, pleases the customer immensely. Pictures taken of the home, buildings, crops, and cattle are valuable additions to your credit file.

When I first became a supervisor, I immediately saw that an SCS farm plan and land use capability map was just what the doctor ordered to round out a credit file on a farmer. I asked Dr. Thomas S. Buie, regional director of the SCS in Spartanburg, about the possibility of the Soil Conservation Service's furnishing an extra copy to the farmer of his plan and maps so that he could turn it over to his banker. He thought highly of the idea and, I understand, passed the suggestion on higher up.

About a year ago, Floyd M. Call, executive secretary of the Florida Bankers Association, and I called on

the head of the Soil Conservation Service in Washington, in regard to this idea. He was out of the city, but his chief assistant said he was sure it could be done. Mr. Call followed up our visit with a letter, and the order went out from Washington authorizing the extra plan.

I urge you to ask each of your farmer, rancher, or citrus grower customers to get you a copy of his plan.

Visits to Customers

Every outside bank representative should try to visit his customers' farms, ranches, and groves, and at first-hand see what makes them tick. When you carry along the map and plan, you can readily locate where you are, and more intelligently discuss his plans and needs.

Second, if you can't go out on the farm, but insist on operating from your desk, in the farm plan you have a real view of the farm—a map showing operations under way and also the land use capability according to various soil classifications.

The plans the farmers have worked out with the soil technicians will enlighten you. Read them over, offer suggestions, see if a sound loan can't be worked out to accelerate some of them.

Conclusion

In conclusion, I want to reemphasize that nothing can take the place of a personal inspection of the farmer's operations. After a call, make a detailed report of the visit for your credit file. This memo of your personal findings, combined with the farm plan, will be of continual value to you in serving your customer intelligently.

I have always heard that a businessman or a salesman who plans his work and then works his plan is destined for success. This farm plan, showing the bad as well as the good points, as observed by a professional, is a mighty good plan for the farmer to use in working for success.

And since judgment (including the judgment of a bank loaning officer) is only as good as the information that officer has, the study of the farm plan of each farmer-customer means the acquisition of accurate, dependable information, on which he can base his judgment and act for the good of the farmer, the entire community and his own bank.

(END)

NATIONAL HOMES CORPORATION SCOOPS ENTIRE BUILDING FIELD WITH EXCITING NEW 1953 MODELS

Lafayette, Ind. (Special)—The nation's largest production of homes at thrift prices has been announced by National Homes Corporation for 1953. The new all-new rambling ranch-type designs with latest "ceiling-to-floor" picture window, shoulder-high modern kitchen, and a convenient laundry alcove equipped with automatic washer and dryer adjoins the efficient step-saving kitchen. Decorative folding doors shut off the area when desired. These new doors are also installed on each bedroom closet.



The 1953 National Homes are completely restyled, outside and in.

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Be sure to read "Mass Production Scores Again" in November *Fortune*. Then write for further particulars to Mortgage Department, National Homes Corporation, Lafayette, Indiana.



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Senator A. Willis Robertson addressing the First General Session. The other principal speaker at this session was Treasury Secretary Snyder, shown third to the left of the lectern

Warm applause likewise greeted the news that Merle E. Selecman, formerly secretary and a deputy manager of the Association, was succeeding Dr. Stonier as executive manager, and that Henry M. Sommers, assistant general counsel, had been made secretary.

"Be It Resolved . . ."

In its resolutions (see page 84) the Association called for Government economy and "a reduction in bureaucracy to a point where there is no duplication, and where there is no development of new laws through issuance of directives." It said that the excess profits tax should be terminated "not later than its expiration date" next June 30. Commenting on world conditions and foreign policy, it found that: "Unfortunately the United States itself has set an example of excessive spending, inflationary monetary policies, and budgets seldom balanced." The principle that "more of the public debt should be placed outside the banking system" was reiterated. And another resolution said: "We shall continue to press for and will promote remedial measures to correct any abuses existing through permissive rules, regulations, and the circumvention of states' rights in order to adjust the practices and operations of Federal savings and loan associations to

reflect more clearly the worthy purposes for which they were originally created."

"We insist," continued the resolution, "that the public should not be confused or misled through publicity or advertising as to the real and substantial differences between savings and loan associations and banking institutions."

The Brenton Program

Before dipping further into the Atlantic City scrapbook, let's turn the story over to President Brenton for a few paragraphs so you can catch a glimpse of what's ahead.

In his acceptance talk the new president touched on five points of the blueprint for the incoming administration. He explained that the new staff alignment "is a distinct credit to the men of the A.B.A. staff and is clearly indicative of their ability to carry on with the increasing demands made upon them." Responsibilities, he continued, "are not being lightened, but duties are being redefined, making for continuity and a more complete coverage."

Mr. Brenton also said plans were under way for strengthening the ties between the state bankers associations and the A.B.A.

"The staff of the A.B.A. Washington office," he con-

Below, left: A meeting of the Administrative Committee. Seated, left to right, at the head table are Messrs Gladney, Brenton, Cocke, Stonier, Selecman, Rooney and Sommers. At the extreme left are Messrs Burgess and Kent, who had just returned from trips to the Far East and Europe, respectively. *Below, right:* a dinner of the Executive Council





The two principal speakers at the Second General Session were A.B.A. Ex-president Joseph M. Dodge, right, and Professor T. V. Smith, left, of the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University



tinued, "in conjunction with various Association committees, is maintaining close touch with Government departmental activities affecting banks. They do this on behalf of the membership as a whole, but in addition they are always ready to aid individual banks in their relationships with the Government.

"Likewise, the Association, through its various committees and its Washington office staff, gives close attention to legislation affecting banks. The A.B.A. does not have lobbyists. In legislative matters our viewpoints are presented to Congress by bankers from various parts of the country who act in their individual capacities as American citizens. Many legislative situations are not easily resolved, even among our own members. This is a large country, and it presents varied and conflicting viewpoints. Patience, fairness, and relentless effort are necessary.

"I wish to assure you that your committees and officers will do their utmost to follow an active, vigorous course."

Turning to "vital questions of direct interest to banking and to the country," Mr. Brenton said these "are assigned to appropriate committees for recommendation, and a definite position must be taken on some of them." He listed three:

"(1) Fiscal and monetary policy. In this connection we have announced that a Department of Monetary Policy will be established to give direction to banking

thought and action in this important area of finance. [Dr. E. Sherman Adams, assistant vice-chancellor of New York University, will head the department. He joins the staff on January 1 as a deputy manager.]

"(2) Problems of bank capitalization and its related problem of bank taxation.

"(3) A program of competition for savings deposits."

Further, special committee consideration will be given "toward developing an effective procedure for economic study." Mr. Brenton believes that "informed bankers must become the interpreters of economic trends to the people of their communities" and that "the banker who doesn't have economic knowledge and understanding just won't be a good enough banker."

Some Convention Personages

A.B.A. conventions are noteworthy for their important personages, and the Atlantic City meeting, you may be sure, maintained this tradition. Speakers included John W. Snyder, Secretary of the Treasury; Robert M. Hanes, president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina; Joseph M. Dodge, president of The Detroit Bank; Preston Delano, Comptroller of the Currency; Senator A. Willis Robertson of Virginia.

Guests welcomed by the convention included Mrs. Georgia Neese Clark, Treasurer of the United States;

Below, left: a meeting of the Public Relations Council. Beginning at the far left, facing the camera, and reading clockwise are Messrs. Call, Chelsted, Heming, Wood, Lindquist, Mack, Powers, Schooler, Bainer, Totten, Slocum and Lewis. Below, right: Dr. Lewis Webster Jones, president of Rutgers University, addressing the Agricultural Breakfast. At the extreme right is Agricultural Commission Chairman W. W. Campbell





SAVINGS AND MORTGAGE DIVISION—President Burns, Assistant Secretary Nims, Vice-president Kress, Secretary Dunkerley, Ex-president Perry. **STATE BANK DIVISION**—President Harris, Vice-president Arthur, Ex-president Sturgeon

Andrew N. Overby, Assistant Secretary of the Treasury; Maple T. Harl, chairman of the board of directors of the Federal Deposit Insurance Corporation; H. Earl Cook, a director of the FDIC; J. L. Robertson, a member of the Board of Governors of the Federal Reserve System; Arturo Bueno y Urquidi, president of the Mexican Bankers Association; Dr. Lewis W. Jones, president of Rutgers University; Arthur M. Mueller, vice-president, The Trust Company of New Jersey, Jersey City, and chairman of the Cooperating Committee of New Jersey Bankers for the convention; and A. H. Skeen, manager of the Atlantic City Convention Bureau.

Likewise, there were hearty greetings for several past presidents of the A.B.A.: James E. Shelton, F. Raymond Peterson, Evans Woollen, Jr., Mr. Dodge, Frank C. Rathje, W. Randolph Burgess, A. L. M. Wiggins, W. L. Hemingway, P. D. Houston, Mr. Hanes, Orval W. Adams, Robert V. Fleming, Rudolf S. Hecht, Francis Marion Law, and Robert F. Maddox. They were introduced by Dr. Stonier at the first general session.

The reports of the Association's many working groups would fill several magazines the size of this, so we'll ask to be excused from covering them other than to say that the work done last year will be equalled or exceeded during President Brenton's administration. It will be aimed at helping the country's bankers do, in

STATE ASSOCIATION SECTION—Ex-president Muench, President Scarboro

AMERICAN BANKER PHOTO



the words of President Cocke's report, "a better job in our local communities."

At the second general session, W. W. Campbell, chairman of the Agricultural Commission, and president of the National Bank of Eastern Arkansas, Forrest City, announced that this year every state had made the 1,000-point honor rating which is the yardstick by which the Association measures the extent to which banks and state associations are helping meet the needs of farmers. Accordingly, Mr. Campbell said the A.B.A. award for this record was being conferred on each association this year.

New Officers

The annual meetings of the Association's four divisions and one section provide more or less specialized discussions for national, state, and savings bankers, trust men, and the secretaries of the state bankers associations. At Atlantic City these sessions attracted crowds that in some cases exceeded the capacities of the meeting rooms. But the delegates who had to be SROs didn't seem to mind.

Here is the roster of new officers elected by the five groups:

NATIONAL BANK DIVISION: *President*, T. ALLEN GLENN, JR., president, Peoples National Bank, Norristown, Pennsylvania; *vice-president*, HENRY A. KUGELER, president, Denver National Bank, Denver, Colorado; *Executive Committee chairman*, B. MAGRUDER WINGFIELD, vice-president, National Bank of Commerce of Houston, Houston, Texas. MR. GLENN succeeded CHARLES H. BUESCHING, president, Lincoln National Bank & Trust Company, Fort Wayne, Indiana.

SAVINGS AND MORTGAGE DIVISION: *President*, WENDELL T. BURNS, senior vice-president, Northwestern National Bank, Minneapolis; *vice-president*, JOHN W. KRESS, executive vice-president, The Howard Savings Institution, Newark, New Jersey. Mr. BURNS' predecessor was JOSEPH EARL PERRY, president, Newton (Massachusetts) Savings Bank.

STATE BANK DIVISION: *President*, B. M. HARRIS, president, Yellowstone Banks, Columbus and Laurel, Montana; *vice-president*, HARRY M. ARTHUR, president Arthur State Bank, Union, South Carolina; *Executive Committee chairman*, BEN S. SUMMERWILL, president,



NATIONAL BANK DIVISION—President Glenn, Vice-president Kugeler, Ex-president Buesching. **TRUST DIVISION**—President Wilson, Vice-president Maddox, Executive Committee Chairman Barclay, Ex-president White

Iowa State Bank and Trust Company, Iowa City, Iowa. Mr. HARRIS succeeded GUY STURGEON, president, Bank of Commerce, Sheridan, Wyoming.

TRUST DIVISION: *President*, ROBERT A. WILSON, senior vice-president, The Pennsylvania Company for Banking and Trusts, Philadelphia; *vice-president*, N. BAXTER MADDOX, vice-president and trust officer, First National Bank, Atlanta; *Executive Committee chairman*, GEORGE C. BARCLAY, vice-president, City Bank Farmers Trust Company, New York. The immediate past president is JOSEPH W. WHITE, vice-president, Mercantile Trust Company, St. Louis.

STATE ASSOCIATION SECTION: *President*, JAMES C. SCARBORO, secretary-treasurer, Colorado Bankers Association, succeeding ALBERT L. MUENCH, secretary, New York State Bankers Association; *vice-president*, R. IRBY DIDIER, executive secretary, Louisiana Bankers Association.

Reports from Abroad

At its pre-convention meeting the Administrative Committee got first-hand reports on conditions and happenings in several foreign lands.

W. Randolph Burgess, chairman of the Economic Policy Commission and chairman of the executive committee of The National City Bank of New York, visited his bank's branches in Japan, Hong Kong, and Manila during the summer. He also had an audience with Emperor Hirohito. His observations on the progress of recovery in Japan and the Philippines, and on communism in the Far East, gave the Committeemen fresh background material.

American banking was well represented in Mexico in recent months. President Cocke and Ex-president W. L. Hemingway, chairman of the Advisory Committee on Special Activities and chairman of the executive committee, Mercantile Trust Company, St. Louis, reported on the Mexican Bankers Association convention in Mexico. They were also present at deliberations of the World Bank and International Monetary Fund. Messrs. Dodge and Hanes, two other A.B.A. experts on foreign affairs, whose services the Government has used extensively since the war, were with Mr. Cocke and Mr. Hemingway on the trip south of the border.

Fred I. Kent of New York, chairman of the Commerce and Marine Commission, reviewed his summer visit to England, France, and West Germany. Mr. Kent, as a good reporter should do, likes to get his facts at first hand, and his commentary was a skilled observer's analysis of political and economic trends. Later he took a few days off and went up to Helsinki to see the concluding events at the Olympic Games.

"Leadership, Vision, Sound Thinking"

HERE is the text of the embossed testimonial presented to Dr. Harold Stonier, now executive vice-president of the American Bankers Association, at the Atlantic City convention:

In recognition of twenty-five years of service to the American Bankers Association, as educational director of the American Institute of Banking, as founder and director of The Graduate School of Banking, and as executive manager of the Association for the past fifteen years, this testimonial of appreciation and affection is presented to

HAROLD STONIER

for his leadership, his vision, and his courageous loyalty to sound thinking.

Indelibly impressed upon private chartered banking over this turbulent quarter century is Doctor Stonier's preeminence as a distinguished pioneer of professional adult education, his eloquence on the public platform, and his ceaseless fight on all fronts to preserve our priceless heritage of American ideals.

On this occasion marking his twenty-fifth anniversary with the American Bankers Association, the officers of the Association, on behalf of the entire membership, express to Harold Stonier deep gratitude for his wise counsel, his sound judgment, and his warm human qualities which have enriched the lives of all who know him.

The presentation was made by President C. Francis Cocke, on behalf of the membership, at the first general session. Dr. Stonier joined the A.B.A. staff at the Houston convention of 1927.



Above, left: A luncheon for representatives of foreign banks. The guests included Walter H. Sharpe, Royal Bank of Canada; Jose Ferron, Banco de Comercio, Mexico City; C. F. Spence, Royal Bank of Canada; Louis Latapi, Credito Minero y Mercantil, Mexico City; Arturo Bueno y Urquidi, Banco del Pais, Mexico City, and president of the Mexican Bankers Association; Alex McD. McBain, Bank of Nova Scotia, Toronto; Norman C. Allingham, Royal Bank of Canada; C. B. Clark, Royal Bank of Canada. United States bankers and A.B.A. representatives in the group include W. Harold Brenton, W. L. Hemingway, C. Francis Cocke, Secretary of the Treasury John W. Snyder, Robert V. Fleming, A. D. Simpson, Harold Stonier, John J. Rooney, and William R. Kuhns. *Above, right:* The dinner given for state bank supervisors

The Convention Speakers

Here's a run-down of the convention speakers' roster:

First General Session—President Cocke; Secretary Snyder; Senator Robertson.

Second General Session—Joseph M. Dodge and T. V. Smith, Professor of Poetry, Politics and Philosophy, Maxwell School of Citizenship and Public Affairs, Syracuse University.

Savings and Mortgage Division—President Perry; Frank M. Totton, vice-president, The Chase National Bank, New York City.

State Bank Division—President Sturgeon; Alexander Chmielewski, Bank Commissioner of Rhode Island; Robert M. Hanes.

National Bank Division—President Buesching; Comptroller Delano; H. Frederick Hagemann, Jr., president, Rockland-Atlas National Bank, Boston; Walter E. Hoadley, Jr., economist, Armstrong Cork Company, Lancaster, Pennsylvania.

Trust Division—President White; Samuel C. Waugh, president, The First Trust Company, Lincoln, Nebraska.

The Stars Sang

They did, indeed! We refer to Lauritz Melchior, Robert Merrill, and Miss Marguerite Piazza.

These singers gave an evening concert attended by 4,000 Mr. and Mrs. Delegates. It was quite a show. The big Danish tenor was master of ceremonies, and he exceeded his colleagues and himself through two hours of operatic and light music that made everybody glad they'd been able to squeeze into the theater.

Quite a show? Rather, quite a convention! It took up Maestro Ormandy's down beat for the Brahms overture and held that high level straight through to the rap of President Brenton's adjourning gavel on October 1.

Next year's convention city is Washington, D. C., the dates September 20-23.

A Tribute from the Secretary of the Treasury

At the conclusion of his address to the A.B.A. convention, Secretary of the Treasury John W. Snyder said:

I PARTICULARLY want to express my sincere appreciation to Chairman Robert Fleming and the Government Borrowing Committee for patient, constructive, and understanding assistance in the debt management field; to Chairman Fred Hagemann and the United States Savings Bonds Committee for their untiring and productive efforts in the promotion of thrift; to Chairman Edgar Johnson and the Committee on Federal Depository Functions and Fiscal Procedures for their able

suggestions and assistance in handling the heavy volume of Treasury-banking transactions; and finally, I want to pay a sincere and deserved tribute to Dr. Harold Stonier for his inspired leadership, his unfailing ingenuity, and his continued counsel and cooperation in matters arising between the banking fraternity and the Treasury Department, and for his exceptional zeal and skill in developing the American Institute of Banking, the Rutgers Graduate School of Banking, and his encouragement to other similar endeavors throughout the nation. And of all of you, I shall warmly cherish the heartening recollection of your unwavering support and friendship.

Meet the New VICE-PRESIDENT

HIS name, as you know, is Everett D. Reese, but you might call him Mr. Small Business Credit.

The A.B.A.'s new veep (he's also years, in bringing together the banks Newark, Ohio) has been doing a very thorough job, these past few years, in bringing together the banks and the proprietors of enterprises that need financial or advisory assistance.

As a member of the Association's Small Business Credit Commission since its establishment in 1944 and as its chairman during the last four years, Mr. Reese has worked successfully at carrying out the Commission's objectives, set by Robert M. Hanes, its first chairman.

One of these purposes is to aid small business through advice and counsel, and to improve managerial capacity. Toward this end Mr. Reese and his Commission have encouraged banks to set up clinics designed to assist small businessmen in coping with managerial problems. Several of these clinics have been held—notably at Denison University in Greenville, Ohio, where Mr. Reese once taught, and in Georgia in co-operation with the University of Georgia. A Pennsylvania Bankers Association group is currently sponsoring an institute for small manufacturers at the University of Pittsburgh.

Educational Aspects

Mr. Reese particularly stresses the educational aspects of his favorite project. He believes that bankers should spend more time with small businessmen, studying their problems at first hand, and that business management should be aware that banks are ready not only to lend them money but to give them friendly suggestions.

When the Small Business Advisory Committee to the Secretary of Commerce was organized several years ago by Secretary Sawyer, Mr. Reese was asked to serve, and has continued with that group, promul-



Mr. Reese, right, shows a small business lending library to Kenton R. Cravens, vice-president of the Mercantile Trust Company, St. Louis, seated, and William F. Kelly, executive vice-president of the Pennsylvania Company for Banking and Trusts, Philadelphia. Mr. Kelly is Mr. Reese's successor as chairman of the A.B.A. Small Business Credit Commission. Mr. Cravens is former chairman of the Credit Policy Commission

gating his belief that present banking facilities are adequate for the needs of business.

Mr. Reese is a farmer as well as a banker, and raises cattle. One of his avocations is riding; another, tennis. Mrs. Reese enjoys these sports, too.

He is a native of Columbus, Ohio, and a veteran of World War I. He was graduated from Ohio State University in 1919, and later taught at its School of Commerce. He was also on the faculty of the Georgia School of Technology at Atlanta and a part-time instructor at Denison.

His Association Work

In organized banking work he has been president of the Ohio Bankers Association, a member of the A.B.A. Executive Council for a three-year term (1943-1946), and a member of the Federal Legislative Council. He

became a member of the A.B.A. Credit Policy Commission in 1949. That year he also joined the faculty of The Graduate School of Banking conducted by the Association at Rutgers University. He has also been a lecturer at the School of Banking of the University of Wisconsin, Madison.

Mr. Reese is a director and treasurer of the Kennedy Manufacturing Company, Van Wert, Ohio; and a director of Suburban Motor Freight, Inc., Commercial Motor Freight, Inc., and Midland Mutual Life Insurance Company, all of Columbus. He is a trustee of the Denison University Research Foundation, at Granville, and of the Ohio State University Development Fund, Columbus. He is a past president of the Newark (Ohio) Chamber of Commerce.

The Reeses have four children.

Six A.B.A. Leaders

Here are brief biographical sketches of men who will help direct Association affairs during 1952-53. President W. HAROLD BRENTON'S career was reviewed in our October issue.

WILLIAM B. GLADNEY

TREASURER, AMERICAN BANKERS ASSOCIATION

WILLIAM B. GLADNEY, president of the Fidelity National Bank of Baton Rouge, is beginning his second term as A.B.A. treasurer.

Mr. Gladney, born in Natchez, Mississippi, is a graduate of Wake Forest College in North Carolina, class of 1918. He began his banking career in the summer vacations during his school days and worked in three Louisiana banks.

Returning from military service in World War I, he became assistant cashier of the Citizens National Bank, Monroe, Louisiana, and continued with that title in the succeeding institution when the Citizens National was absorbed by the Ouachita National Bank. In 1926 he became vice-president of the Bastrop (Louisiana) Bank and Trust Company. In 1938 he became executive vice-president of the Fidelity Bank and Trust Company at Baton Rouge, and in 1944 was elected president of the bank whose name is now the Fidelity National Bank of Baton Rouge.

Mr. Gladney has been active in local and national bank associations. He was an organizer of the First Regional Clearing House Association of Louisiana in 1927 and later was president of the clearing house. He has served on various committees of the Louisiana Bankers Association. In 1934 he was elected vice-president of that association and in 1935, president.

Mr. Gladney was a member of the Insurance and Protective Committee of the American Bankers Association for several years and served as chairman of that Committee from 1937 until 1944. He had two terms on the A.B.A. Executive Council. In the National Bank Division, he served on the legislative committees, and was chairman of the Executive Committee in 1947-48, vice-president of the Division in 1948-49, and president in 1949-50.

Mr. Gladney has also been active in local civic affairs. He has been president of the Bastrop Kiwanis Club and president of the Bastrop Chamber of Commerce. In Baton Rouge, he has been chairman of the Second War Loan drive, president of the Baton Rouge Community Chest, president of the Baton Rouge Chamber of Commerce, and president of the Baton Rouge Country Club.

Mr. Gladney is married, has two married sons and one grandson. He lives in Baton Rouge.

T. ALLEN GLENN, JR.

PRESIDENT, NATIONAL BANK DIVISION

T. ALLEN GLENN, JR., president of The Peoples National Bank of Norristown, Pennsylvania, was born in Wynnewood, Pennsylvania, and attended the Protestant Episcopal Academy of Philadelphia and the Wharton School of Accounting and Finance, University of Pennsylvania.

After three years with an investment house in Philadel-

phia, he entered banking in 1923 with the Philadelphia Trust Company where he remained until 1926. From 1926 to 1932 he was associated with another investment house in Philadelphia. In 1932 he joined the Philadelphia Loan Agency of the Reconstruction Finance Corporation, where he served in bank loan administration during 1932-33, in bank reorganization from 1933 to 1934, and as an examiner from 1934 to 1936. In 1936 he joined the Peoples National Bank of Norristown as executive vice-president. He became president and director of that bank in 1937.

Mr. Glenn served on many committees of Philadelphia Chapter, American Institute of Banking, and in 1949 organized Montgomery County Chapter. He was president of the Montgomery County Bankers Association in 1943-44 and has long been active in the Pennsylvania Bankers Association, serving on a number of committees. Presently, he is the director of the new Summer School of Banking, sponsored by the Pennsylvania Bankers Association at State College, Pennsylvania.

He has been on the faculty of the Carolinas Bankers Association Conference and of the Virginia Bankers Conference. In Robert Morris Associates, he was chairman of the Outlying Banks Committee in 1939, 1945, and 1951; and a member of the Program Committee in 1946 and 1947. In the Financial Public Relations Association, he served as a member of the Extension Committee in 1939.

Mr. Glenn is an alumnus of The Graduate School of Banking, class of 1938. He was on the Board of Regents of the School from 1944 to 1947, and has been a member of the faculty since 1941.

In the American Bankers Association, Mr. Glenn was a member of the Ration Coupon Banking Committee from 1942 to 1944 and a member of the Committee on Credit Department Organization Booklet of the Bank Management Commission in 1948-49. In the National Bank Division, he served on the Committee on Relations with Federal Agencies 1949-50, the Committee on Research and Operations 1950-51, and the Executive Committee 1949-51, and was vice-president in 1951-52.

Mr. Glenn, long active in Norristown community affairs, is married and lives in Plymouth Township, Pennsylvania, where he is auditor of the township and president of the Plymouth Township Municipal Authority.

WENDELL T. BURNS

PRESIDENT, SAVINGS AND MORTGAGE DIVISION

WENDELL T. BURNS, senior vice-president of the Northwestern National Bank, Minneapolis, was born in Stuttgart, Arkansas, and holds a B.A. degree from the University of Minnesota and an LL.B. degree from St. Paul College of Law. During World War I, he served in the armed forces from 1917 to 1919.

Mr. Burns entered banking in 1922 with the Minnesota Loan and Trust Company, which is now part of Northwestern National Bank. In 1933 he joined the Northwestern National Bank, and in 1934 was elected assistant secretary. He became assistant vice-president in 1940, vice-president in 1941, and senior vice-president in 1951.

He is a director of the Title Insurance Company of Min-

nesota and the Orchestral Association of Minneapolis, Inc.; a director and treasurer of the Minneapolis and Hennepin County Chapter of the American Red Cross; and treasurer of the Minnesota Historical Society.

In the American Bankers Association, Mr. Burns served as a member of the Subcommittee on Mortgage Financing and Urban Housing of the Committee on Federal Legislation from 1948 to 1952, and was the chairman of this Subcommittee from 1950 to 1952; as a member of the Executive Committee of the Committee on Federal Legislation, 1950-52; and as a member of the Credit Policy Commission, 1950-52. In the Savings and Mortgage Division, he served as a member of the Committee on Real Estate Mortgages from 1946 to 1952, being chairman from 1950 to 1952; as a member of the Mortgage Text Committee, 1951-52; member of the Executive Committee, 1949-51; and as vice-president, 1951-52.

B. M. HARRIS

PRESIDENT, STATE BANK DIVISION

B. M. HARRIS, president of The Yellowstone Banks, Columbus and Laurel, Montana, was born in Ripon, Wisconsin, but moved at an early age to Denver, Colorado, where he attended the schools of that city. Following graduation, he joined the Union Pacific Railroad Company, rising in that organization to assistant cashier of the freight department.

Mr. Harris entered banking in 1906 with the firm of Meyer and Chapman, Red Lodge, Montana. In 1907 he formed the Park City State Bank, Park City, Montana, serving as cashier and later as president. In 1926 he formed The Yellowstone Bank, Laurel, Montana; and in 1934, The Yellowstone Bank, Columbus, serving both banks as president. He was president of the Montana Bankers Association in 1930 and a director of the Helena Branch, Federal Reserve Bank of Minneapolis, from 1945 to 1951.

In the American Bankers Association, Mr. Harris served on the Country Bank Operations Commission from 1943 to 1946, and on the Executive Council in 1946-47. In the State Bank Division, he served as state vice-president in 1946-47; as a member of the Committee on State Banking Departments, 1948-49; as chairman of the Committee on State Bank Research, 1949-50; on the Executive Committee, 1948-51, being chairman in 1950-51; and as vice-president, 1951-52.

He was chairman of Group 7 of the Montana War Savings Committee from 1941 to 1951, and is a former president of the Civic Clubs of Laurel and Columbus.

Mr. Harris makes his home in Columbus.

ROBERT A. WILSON

PRESIDENT, TRUST DIVISION

ROBERT A. WILSON, senior vice-president of The Pennsylvania Company for Banking and Trusts, Philadelphia, is a graduate of the University of Pennsylvania. He began his banking career with the Department of Banking of the Commonwealth of Pennsylvania in 1923 and thereafter went to the Equitable Trust Company in Atlantic City as trust officer in 1927. He left Atlantic City to accept the appointment of trust examiner on the staff of the Federal Reserve Bank of Philadelphia in 1933. He became associated with The Pennsylvania Company for Banking and Trusts as trust officer in 1937 and was elected a vice-president of that institution in 1945. He was advanced to senior vice-president in April 1951.

He has served as a member of the Committee on Trust Education and as a member of the Committee on Costs and Charges of the Trust Division of the A.B.A., and was chairman of the Committee on Costs and Charges from 1947 to 1950. He was a member of the Executive Committee of the Division from 1948 to 1951, being chairman in 1950-51; and vice-president in 1951-52.

He is a past chairman of the Trust Division of the Pennsylvania Bankers Association and past chairman of the association's Committee on Costs and Charges. He is currently vice-president of the Corporate Fiduciaries Association of Philadelphia. He is also a member of the trust faculty of The Graduate School of Banking.

JAMES C. SCARBORO

PRESIDENT, STATE ASSOCIATION SECTION

JAMES C. SCARBORO, secretary-treasurer of the Colorado Bankers Association, was born in Denver, Colorado, and received a B.A. degree from the University of Colorado.

He was assistant secretary of the Colorado Bankers Association from 1927 to 1940 and has been secretary-treasurer since 1940. He is a former president of the Western States Conference and was president of the Central States Conference in 1951-52.

He is editor and publisher of the *Mountain States Banker* and a member of the Denver Chamber of Commerce.

In the American Bankers Association, Mr. Scarboro served on the Public Relations Council in 1940-41 and again in 1947-48. He has served on several committees of the State Association Section and was a member of the Section's Executive Committee in 1946-47.

Mr. Scarboro is married and has two sons. He lives in Denver.

A. B. A. Past Presidents Gather at Convention

AN interesting feature of the Atlantic City convention was the luncheon for past presidents of the American Bankers Association, and their guests.

In the picture, former A.B.A. chiefs sitting around the table include Messrs. Peterson, Rathje, Hemingway, Houston, Maddox, Wiggins, Shelton, Fleming, Burgess, Law, Haas, Adams, Woollen, Hanes, Dodge and Hecht.

Also in the group are 1951-52 President Cocke; 1952-53 President Brenton; Secretary of the Treasury Snyder; U. S. Senator Robertson of Virginia; and A.B.A. Executive Vice-president Stonier.





Executive Vice-president Stonier



Executive Manager Selecman



Secretary Sommers

Top Level Staff Changes

Three top level changes in the A.B.A. staff were made by the Administrative Committee at the Atlantic City convention. Here are biographical sketches of the men.

DR. HAROLD STONIER

DR. HAROLD STONIER was named to the newly created office of executive vice-president of the American Bankers Association by the Administrative Committee at its meeting prior to the Association's 78th annual convention. He had been executive manager for the past 15 years.

Under his new title, Dr. Stonier will be the chief staff officer responsible for carrying forward the Association's policies established by the governing bodies of the organization. He will also continue as director of The Graduate School of Banking.

Dr. Stonier was born in San Jose, California. He attended the College of the Pacific and took work also at the University of California and at Columbia University. He was awarded his master's degree and his doctorate from the University of Southern California.

Dr. Stonier was vice-president of the latter institution from 1923 through 1927, after spending some time in the investment banking business.

In 1927 he was named national educational director of the American Institute of Banking, serving in that capacity until he became executive manager of the A.B.A. in 1937.

Since its inception in 1935, he has been director of The Graduate School of Banking conducted by the American Bankers Association at Rutgers University. In 1937 he received the Rutgers Distinguished Service Award for work in the field of adult education.

MERLE E. SELECMAN

MERLE E. SELECMAN joined the American Bankers Association in 1928 as director of its Advertising Department. In 1937 he was named deputy manager in charge of the Trust Division. He became secretary of the Association in 1944 and has now been advanced to executive manager.

In his new post as executive manager, Mr. Selecman will be responsible for carrying out many of the administrative

duties in the conduct of the A.B.A.'s work. He will continue to manage the national conventions and to be secretary of the Trust Division.

Mr. Selecman was born in Maryville, Missouri. He attended the University of Missouri, received his A.B. from Northwest Missouri State College and his A.M. from Northwestern University.

He was engaged in newspaper, advertising, and publicity work in the Midwest for 10 years. He taught English and journalism at Northwest Missouri State College and Northwestern University.

Mr. Selecman has served as president of the Rotary Club, Maryville, Missouri; director of the Northwest Missouri Chamber of Commerce; vice-president of the Northwest Missouri Press Association; and president of the University of Missouri Alumni Association of New York City. Since 1946 he has been a member of the board of directors of the New York City YMCA and chairman of its finance committee.

In 1945 Mr. Selecman was assistant commissioner of the American Red Cross in the European Theater of Operations. In 1946 he was awarded the United States Treasury Silver Medal for distinguished service to war finance, and the Certificate of Merit by President Harry S. Truman.

HENRY M. SOMMERS

HENRY M. SOMMERS, assistant general counsel of the American Bankers Association, has been named secretary of the Association. He continues as assistant general counsel, the position he has held since 1948. In this post, he acts as counsel to various divisions, committees, departments, and other working groups of the Association.

Mr. Sommers is a native of New York City. He has a background of bank experience as well as legal training. From 1921 to 1926 he worked in a New York bank.

He was admitted to the New York Bar in 1928 after receiving his LL.B. degree, and opened his own office for the general practice of the law.

He came to the A.B.A. in 1939 to assist with research, writing, and editing of the fourth edition of *Paton's Digest*. Mr. Sommers has also written for various legal publications. In 1944 he accepted a permanent appointment as an attorney in the Association's Legal Department.

Convention Ideas

Here's a sampling of the speeches at the convention, dealing with a wide range of current questions.

"Governmentitis"

IN recent years, too many of us have been prone to succumb to a disease which might be called "governmentitis." This disease manifests itself when people get the idea that the burden should be borne by someone else. It leads to complacency and taking the easy way out. It becomes much less painful to temporize with a problem and to delay the time when corrective action must be taken. The symptom centers in a general loss of individual initiative and in dependence upon the omnipotent wisdom of a bureau or an elected official. This disease develops slowly, and history shows the number of times it has defied diagnosis until it was too late. "Governmentitis" is with us, and it must be understood and recognized now. We must ever be mindful of the enduring wisdom of Mr. Jefferson's statement, "That government governs best that governs least."

Part of the trouble with leaving serious economic decisions to Government officials is that statesmanship is too often lacking. Frequently a decision will be based solely on political considerations. When such things happen, we can certainly blame ourselves if we do not fight with all candor and vigor for what we know to be right, even though it be unpopular. It is for this reason that we must know the facts of our national and international lives. We must know them, and we must lead others to know them and act upon them.—C. FRANCIS COCKE, *president of the First National Exchange Bank of Roanoke, Roanoke, Virginia, in his report as president of the American Bankers Association.*

Our Basic Strength

A FACTOR of basic strength in our dynamic economy is the sound financial position of both business and individuals. A significant part of the capital funds used in the development programs of American business during the past six years came from retained earnings. Individuals were able to expand their liquid assets by about \$6-billion during 1951, reaching a total of approximately \$210-billion at the end of the year. These savings give a sense of security which provides strong support to a high level of current buying.

All in all, there seems no doubt but that the long term factors underlying our present prosperity could provide the basis for a strong forward movement when defense production eases off. The peacetime markets existing in this country alone are almost limitless; and American business has already proved that it is well aware of the opportunities which this situation provides.—THE HONORABLE JOHN W. SNYDER, *Secretary of the Treasury.*

Two Banking Problems

AN acute problem is the securing of adequate and competent personnel at all levels of operation and management. We are not attracting to banking the type of young people we need in sufficient number to meet our personnel requirements.

Another element in banking today that causes concern is the increasing reliance upon Government guaranty of

our banking risks. In my opinion, this is a cancer on the body of banking. By its very nature, banking is a risk business, but with the element of risk always controlled by good judgment and sound business sense to a point where the bank's own protective and insurance factors—its capital, surplus, and reserves—are always sufficient to provide adequate security for depositors. To me, the exercise of this judgment, this weighing of values, this analysis of credit risks, is the very heart of the business of being a banker. If we permit Government guaranty to be substituted for credit judgment and are unwilling to assume our responsibility for risk taking, then we forfeit our right to be bankers.—ROBERT M. HANES, *president, Wachovia Bank and Trust Company, Winston-Salem, and former president of the American Bankers Association.*

Eight Fundamental Dangers In Our Foreign Aid Program

WHILE our foreign aid is measured in dollars, it is mostly delivered in goods produced from the raw material resources of this country. Our resources are not without limit although we proceed as though they are.

Every foreign nation would prefer to meet its balance of payments problems with trade, not aid. If we are to avoid defeating our world objectives, our attitude toward volume imports will have to be restudied and revised.

Unless the beneficiaries of our aid are willing to take appropriate measures of self-help and the corrective steps which go to the roots of their problems, they never can be anything but weak.

Continued aid can be self-defeating and reach a point of diminishing returns.

The kind of a world everyone desires will not be created by dollar expenditures in any amount. Much more than money is needed. Men's minds cannot be modernized quickly with mere dollars, and in a few years we cannot create for others what they have shown little disposition or ability to create for themselves.

There is no possible way we can meet even the most pressing needs of so many other nations; and already there is evidence that if we try it, we will be subjected to the same conflicting requests and claims of discrimination from other nations as we have from the pressure groups of our own people.

Aside from the threat of direct military aggression, one of our greatest dangers is that we will try to satisfy the national interests of too many other nations, without firmly considering and protecting our own.

We have a great and understandable desire to make a contribution to the peace and progress of the world and to assist and cooperate with other nations. But we must be careful that this does not lead to changes in the political, social, and economic organization that has made possible what we are and what we have; and does not undermine our freedoms or the sovereignty of the United States over its own affairs.—JOSEPH M. DODGE, *president, The Detroit Bank, Detroit, Michigan, and a past president of the American Bankers Association.*

Defense Spending

WHILE every effort must be made to eliminate waste in defense spending, we must be cautious in cutting that item

while the threat of world domination by the communists remains acute. You and I value our freedom too much to put a price tag on its preservation. However, we can improve the efficiency of procurement and other aspects of our military system; and by looking ahead and planning strategically to put our forces where they will be most effective, we can reduce our overall needs. We also can say to our valued European allies: "Don't ride our backs when you are able to walk." But, especially in view of the uncertainty I felt during my recent visit to Europe as to how much help we can count on in an emergency from our allies there, I do not believe the time has come when we can reduce our national spending, as some have advocated, to anything approaching pre-World War II levels.—THE HONORABLE A. WILLIS ROBERTSON, *United States Senator, Lexington, Virginia.*

Debt Retirement

IN broad outline, the retirement of the debt can be reduced to an understandable and relatively simple problem . . . If it be assumed (1) that the net debt to be retired is an even \$235-billion, which may be approximately correct at present, and if it be assumed (2) that the debt is to be retired by a program comparable to the amortization of a 25-year direct reduction mortgage, and if it be assumed (3) that the overall interest rate throughout the entire period be computed at 3 percent a year, then an annual payment of \$13,375,000,000 would retire the debt in 25 years, including all interest costs. If the overall interest be calculated at 2½ percent, the cost would be \$12,651,000,000 a year. As the current cost of interest on the public debt is a fluctuating figure in the vicinity of \$6-billion a year, it would require only a little over \$7 1/3-billion a year more than we are now paying in order to extinguish the entire national debt in the next quarter century . . . According to most responsible authorities, it would be possible to save these extra few billions each year merely by the elimination of waste and without impairment of our national defense or any essential Federal function.—JOSEPH EARL PERRY, *president of the Newton Savings Bank, Newton, Massachusetts, and immediate past president of the Savings and Mortgage Division of the American Bankers Association.*

Time for Reappraisal

THE time has come for us to reappraise our own shops; to plug up management holes; to reappraise investment and lending policies; to revamp operational procedures and, in particular, those relating to collections. In other words, get prepared for the leaner years which inevitably will follow in the usual cycle of business. . . .

First among the external responsibilities of bankers should be the fight against the encroachment by the central Government in business, the struggle against paternalism which could easily destroy private enterprise. Our American banking system, in particular, has felt the inroad of the Government. During the past 20 years, the Federal Government has become the largest lending agency in the world and in competition with private financial institutions.—CHARLES H. BUESCHING, *president of the Lincoln National Bank and Trust Company, Fort Wayne, Indiana, and immediate past president of the National Bank Division of the American Bankers Association.*

Essence of Sound Policy

IT is impossible, of course, to avoid risks in banking; a bank with no risk in its asset portfolio almost inevitably would be a bank which was not serving its community

adequately and was stifling sound and necessary growth and enterprise.

However, it is unnecessary to point out the difference between legitimate, unavoidable banking risks and the much greater and indefensible risks that flow from trying to out-guess the economic cycle and squeeze the top dollar out of an inflationary period. A suitable margin of protection—a pretty broad margin—is the essence of sound banking policy.

I, for one, find it difficult to believe that our economic system will again experience a depression comparable to that of 20 years ago.

But although it is unfair to your shareholders, as well as to your customers and community, to expect the worst and strive for 110 percent liquidity, it is even less the part of wisdom to run a bank in such manner that its solvency and usefulness will be in jeopardy unless our general economy continues without interruption to reach higher and higher levels.—HONORABLE PRESTON DELANO, *Comptroller of the Currency.*

Our Economic Climate

THE economy under which we are living, at some time sooner or later, will have a major jolt, and we as bankers must be prepared to take the major jolts as well as the temporary setbacks we have been experiencing in recent years. The major jolt will come either when we take positive and unrelenting steps to end inflation, which means deflation; or if we fail to take those steps and go on and on inflating, we will eventually hit the stage known to economists as the crack-up boom and bust. Any policy aimed at riding the razor edge between inflation and deflation, in the light of history, will be a policy leaning toward inflation.

It is in this economic and social climate that we must operate our banks.

Our success as bankers and leaders in our community, state, and nation, it seems to me, depends upon our ability to cope with these conditions and still be responsive to the demands that our stimulated economy places on us.—H. FREDERICK HAGEMANN, JR., *president of the Rockland-Atlas National Bank of Boston.*

A New Idealism

WE need a new conception of idealism: an 'ism that can pay its own way rather than heaving hopefully at its own bootstraps. Such idealism is our competitive way of life. Its philosophy is founded on human nature, as described by James Madison and believed in by our founding fathers. It bases competition on the blessed fact that men are different; want different things in different degrees, or, alas, want the same things with equal intensity. If men do not compete in friendship about important things, they will compete in enmity about trivial matters. With agreed-upon rules of the game, competition becomes the most fruitful form of cooperation, and property rights take their place among the most sacred of human rights.—T. V. SMITH, *Professor of Poetry, Politics, and Philosophy, Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, Syracuse, New York.*

A Forecast

EXPANDING economic forces will push general business up moderately during the closing months of 1952 and into the spring of 1953, but thereafter some basic weaknesses in demand will begin to appear, particularly in the heavy goods lines, with depressing effects upon many prices as well.

Political developments abroad as well as in this country

will cause important changes in public attitudes toward some Government economic policies and very likely lead to redirection of the defense program.

Economic and political events will combine to produce a sufficiently high volume of business to warrant classifying the year ahead as part of the extended postwar boom and not as a "recession" year. General business will average close to the experience of the past twelve months, and be marked by further "rolling adjustments." Sales and earnings will continue to vary noticeably among individual lines of business depending upon their relation to the defense effort and the extent to which they have already faced readjustment since the outbreak of the Korean War.—WALTER E. HOADLEY, JR., *economist of the Armstrong Cork Company, Lancaster, Pennsylvania.*

Younger Generation

MANY of us oldsters of today do not understand the youngsters, and we say that they are wild and radical. Meanwhile, the youngsters shrug us off and say we are hopelessly old-fashioned.

Some one said recently that the oncoming generation is better than ours in every way except one, and that is money management. But here again, at least so far as school savings accounts are concerned, the youngsters are doing encouragingly well. For instance, the mutual savings banks report a 17.6 percent gain in school savings deposits this last year, with almost 2,000,000 school children having deposits of some \$60,000,000.

Our civilization is truly "banking on youth," for the world advances on the feet of youth.—FRANK M. TOTTEN, *vice-president of The Chase National Bank of New York City.*

State Banking Departments

IF we strengthen our state banking departments and restore to them lost prestige and authority, I am of the opinion we will have removed a vulnerable spot and weakness in our dual banking system. My study and experience has led me to the conclusion there is a solution of the problem. While the American Bankers Association has gathered together a considerable amount of information and data on the subject and also prepared a model state banking code, I am of the belief it cannot get the job done without the assistance of our state associations. In fact, it is the primary task of the state bankers associations to

strengthen their own state banking departments and restore to them lost authority. If you have not already done so, I urge that you immediately initiate action in your own state association to study your situation and bring about the passage of laws that will correct any weaknesses that might exist.—GUY STURGEON, *president, Bank of Commerce, Sheridan, Wyoming and immediate past president of the State Bank Division of the American Bankers Association.*

Director Responsibility

MANIFESTLY, the relationship between the director and his stockholders and depositors is fiduciary in its nature, implying a responsibility somewhat beyond the ordinary. In this connection, it has been cogently stated: "The provision of adequate operational safeguards is as much a primary responsibility of the board of directors as is the provision of adequate vault protection for the cash and other valuable property of the bank."

Nor does the fact that an overwhelming percentage of deposits is now protected by FDIC insurance avail to lessen a director's responsibility for losses that might have been prevented by the exercise of due care and diligence.

Neither is there merit in any implied argument to the effect that by statutory requirements banks are subject to examination by governmental agencies.

This distinction, unknown to the general public, is also unknown to the vast majority of bank depositors. Nevertheless, the blame for defalcations falls on the bankers and the supervisory authorities.—ALEXANDER CHMIELEWSKI, *Bank Commissioner of Rhode Island.*

Trust Advertising

THE fine record that we have established over the past 50 years, in good times and in bad times, is now bearing fruit; and business comes to us because of this record. As a rule, trust officers are not advertisers; they are definitely not salesmen; and that explains their reluctance to go in for advertising and personal solicitation in the way other industries do. Surely, it can never be said that trust institutions use high-pressure methods to obtain new business.

On the contrary, trust officers lean too far in the opposite direction. That is because many trust officers are lawyers with the high ethical standards followed by members

(CONTINUED ON PAGE 144)

Thousands of delegates visited the educational displays of equipment and services in Atlantic City's Convention Hall



Foreign Affairs . . . Spending . . . Bureaucracy

Here are the resolutions on public affairs adopted by the American Bankers Association at its 78th Convention in Atlantic City. The chairman of the Resolutions Committee was Evans Woollen, Jr., chairman of the Fletcher Trust Company, Indianapolis.

World Conditions And Foreign Policy

THE nations of the earth have not found peace since the end of World War II. The activities and threats of communist forces have placed a fearful strain on all peoples throughout the world.

The strain has been the greatest source of unwise and unsound governmental policies in many countries. Sound economic recovery has been impeded and currencies have been inflated.

The United States has spent billions and billions of dollars in foreign aid hoping to ease the strain, to stimulate recovery, and to help build the defenses of the free countries.

While great progress has been made in the restoration of production and the improvement of the living standards of people in many countries, the results of our efforts have been somewhat disappointing. The mutual defense program has moved slowly. Few of our partner countries have achieved sound economies which can go forward without our continued aid.

The greatest obstacles have been political—to persuade people to resist excessive public and private spending, to balance their budgets, and to keep their currencies sound.

Unfortunately the United States has itself set an example of excessive spending, inflationary monetary policies, and budgets seldom balanced.

Government Economy

UNDER these conditions it is of vital importance that our own economy be buttressed in every possible

way. We must balance our budget through the curtailment of governmental expenditures. A major part of our expenditures is of necessity for defense. The common goal of all loyal Americans is freedom in a decent world. So ardently do we cherish that goal that we have often shown our willingness to pour out life or health or substance for it. We can hold that mood and at the same moment look clearly at a danger which confronts us: that by pouring out life and health and substance intemperately and unwisely we can jeopardize the very goal for which we strive. The struggle which confronts us may be a long one and for its later phases we need reserves of strength. Wasteful military expenditures will lessen the military potential of the future. For this reason our military expenditures should be subject to a continuing scrutiny. That scrutiny should include an inspecting personnel provided by Congress and independent of military authority.

The need for reducing expenditures to the minimum is especially imperative because our present taxation is excessive, and if long continued will prove stifling to the economy and will slow down and impede the productivity which is America's greatest strength in the battle against worldwide Communism. Moreover, revenues drawn from an economy artificially stimulated by inflation cannot be relied upon indefinitely.

Bureaucracy

THROUGHOUT history countries which have developed huge bureaucracies have been on the way to disintegration. At present in the United States we have approximately 2,500,000 Government employees, partly in the defense organization and partly to take care of civilian operations. Big government is unmanageable and inevitably leads to corruption. Bureaucratic directives having the force of law increase the

costs of industry, create confusion, and hamper the economy.

One of the great needs of our country today is a reduction of bureaucracy to a point where there is no duplication, and where there is no development of new laws through the issuance of directives. Thus we may restore more fully to our people the freedoms with which they have been blessed since we started living under our great Constitution and the Bill of Rights.

Savings Bonds

WE reiterate the principle that more of the public debt should be placed outside the banking system. The Savings Bond program has now been revised to produce a better return to the purchaser and permanent holder of this type of security within the framework of existing law. We urge our membership to continue their efforts in the sale of these bonds in order that the debt may be, as far as possible, placed in the hands of those outside the banking system.

The Treasury and the Federal Reserve System

WE commend progress made in cooperation between the Treasury and the Federal Reserve System which has allowed a more flexible market for Government securities and for other securities as well. This flexibility permits greater use of the traditional powers of the Federal Reserve System through open market operations and the rediscount rate.

Excess Profits Tax

TAXATION of so-called "excess profits" is a most harmful method of raising money for Government use. It is impossible to create a law for the collection of such taxes that will be fair to all concerned or in the public interest. Taking of profits calculated in some arbitrary fashion

(CONTINUED ON PAGE 142)

BANK LAW NEWS

Trusts—Merger—Forged Endorsement—Passbooks

TRUSTS—STATE TAXATION

Florida Adopts Rules for Taxing Trusts Where Non-Resident Is Trustee and Where Trust Holds Large Block of Stock

FLORIDA has joined those states which follow the rule that, in the absence of a statute to the contrary, when trustees reside in different states the property of their trust is taxable in the state of residence of the trustee who has actual custody or control of the property.

The Florida Supreme Court was unanimous in adopting the rule and rejecting the contention of four trustees, three individuals and a Florida national bank, that one-fourth of the trust assets should be immune from Florida's intangible property tax because one of the individual trustees was not a Florida resident. Custody of the trust property was held by the corporate trustee, a resident, and the will setting up the trust in question had provided that, in case of a deadlock among the four trustees, the ruling of the corporate trustee should be final. Accordingly, the trust was denied the desired immunity.

The court was not unanimous when it came to another contention of the trustee: that the so-called "blockage rule" or "blockage discount theory" should not be used in assessing a large block of stock held by the trust. This theory is that, since large blocks of stock cannot be sold on an exchange without depressing the price of that stock, their "full cash value" for intangible tax purposes should not be based solely on the exchange quotation for that stock on the day fixed by law for assessment.

With three judges dissenting, the majority held that the rule should not be applied to the trust in question, since there was no evidence of any need to place all its stock hold-

ings upon the market at one time and, in the absence of such need, it would be a breach of duty for the trustees to do so and thus obtain less than "full market value as it now exists."

The time might come "in the distant future" when it would be necessary to sell the block of stock, said the court. "When that time comes, the blockage rule . . . may be applicable and it should then be considered as one of the elements in determining full cash value, but until that time does come, there is no reason for the application of the rule." *Florida Nat. Bank of Jacksonville v. Simpson*, 59 So. 2d 751.

INFLATION NOTE

WISCONSIN's Supreme Court has held that the provisions of that state's banking law that no bank may invest more than 35% of its capital and surplus in stock of a bank building corporation does not prohibit the holding of such stock, legally purchased, simply because it has appreciated to more than the statutory limit. *Union Trust Company v. Matthews*, 53 N.W. 2d 744.

MERGER

THE United States District Court for the Eastern District of Pennsylvania has held that a dissenting shareholder in a merging national bank is not prevented from obtaining the stock's appraised value, as provided by the National Bank Act, simply because he bought his stock after the merger agreement had been made, though before the shareholders had met to vote on the merger, and because he bought the stock for the sole purpose of dissenting and obtaining payment of its appraised value. The court pointed out that it would be "wholly impractical" to

make a dissenting shareholder's right to obtain payment for his shares dependent upon his "motives and purpose in acquiring the stock or the state of his mind at the time of the purchase." *Central-Penn National Bank v. Portner*, 20 L.W.2597.

SAVINGS AND LOAN BRANCHES

SAVINGS and loan associations in Utah are incorporated under the provisions of the state's general corporation law and have all the rights, privileges, powers, duties, and obligations of ordinary corporations, except as the savings and loan laws of the state otherwise provide. These latter laws neither authorize, prohibit, nor regulate the operation of branches by such associations. Accordingly, Utah's attorney general has ruled, savings and loan associations organized under the laws of Utah may establish and operate branches within or without the state. *Op. A. G., Utah*, March 10, 1952.

UNIFORM TRUST RECEIPTS ACT

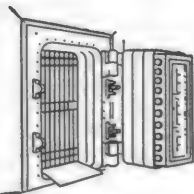
THE Supreme Court of Illinois has held unconstitutional a provision appended to the Uniform Trust Receipts Act when it was enacted in that state, making it a felony for a trustee to dispose of goods held under a trust receipt and to fail to account for their proceeds.

The Uniform Act was not designed to regulate the use of trust receipts, but merely to define their attributes and the types of situations in which they may be used validly, the court held. Since it is not a regulatory law, the court said, a penalty provision is not logically necessary to its expressed subject and purpose, "to promote uniformity in trust receipt law," particularly

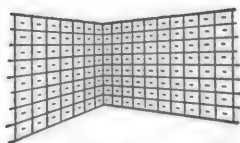
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Announcing

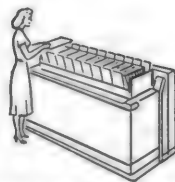
An important development in



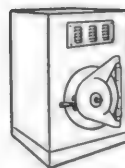
Bank Vault Doors 1½" to 60" thick. The choice of Federal Reserve District banks.



Safety Deposit boxes of Diebold 180-grain satin finish or stainless steel.



Rekordesk Safes electrically protect more savings records than any other record container.



Chests and Safes with exclusive Diebold-York drill-proof manganese door plate.

in drive-up banking - by Diebold

The drive-up banking counter pictured at the left is important news to progressive bankers everywhere. It is the result of five years of research and development by Diebold, pioneer in Drive-up Banking.

It incorporates more than 30 specific advantages both for depositors and bank personnel. Diebold offers a counter so functionally sound and so completely in harmony with present-day bank architecture. Its 80-inch expanse of bullet-proof glass, complete counter visibility and many other features including motorized deal tray will interest you and please you.

The design of this new series reflects the accumulated experience of 486 bankers with backgrounds in drive-up banking. Their suggestions helped Diebold engineers produce this new series in three sizes with optional accessories to meet every requirement.

This important forward step in drive-up banking is new evidence of Diebold's traditional leadership in banking equipment. Let your Diebold representative give you the complete story.

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Diebold-McClintock Vault Ventilator for positive protection in case of accidental lock-in.

When you think of the ELECTRICAL INDUSTRY



America can be proud of its electrical industry! In 1951, it produced \$12½ billion worth of electrical machinery and equipment. And, during the past ten years, the industry has pioneered many new and spectacular developments in radar, television, airborne electronics, atomic submarines. The electrical industry is continuing to move ahead—producing more power generation for factories . . . more appliances for modern living . . . more electrical products of all kinds to meet the nation's defense and civilian needs.

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Correspondent Bank Department
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Member Bank Wire

(CONTINUED FROM PAGE 85)

since Illinois is the only state which has added such a provision. Therefore, the court held, the act did not comply with the constitutional requirement that no act embrace more than one subject, which subject must be expressed in its title. *People v. Levin*, 104 N.E.2d 814.

FORGED ENDORSEMENT

Government Not Bound by Same Rules as Ordinary Parties to Checks Bearing Forged Endorsements.

A BANK which forwarded for collection two Government checks bearing forged endorsements of the payee's names has been held liable to the Government for the amount of the checks by the U. S. Court of Appeal, Fifth Circuit.

Apparently the checks had been placed in the mails by the Government and came into the hands of persons bearing the same names as the payees. Defendant bank received the checks for collection from other banks, added its endorsement which guaranteed prior endorsements, and collected the amount of the checks from the Government. The Government discovered the forged endorsements "long before the expiration of one year after the checks were cashed" but did not notify any of the endorsing banks of the forgeries until more than a year after paying the checks.

In holding the bank liable, the court held that the Government was not negligent in mailing the checks; that it was not estopped by its failure to give earlier notice of the wrongful payments, despite the fact that a Georgia statute bars recovery from a bank for paying on a forged endorsement if the bank is not notified of the forgery within one year, since the rights and duties of the Government on commercial paper it issues are governed by Federal rather than state law; and that the Government's right to recover the money it paid to the bank was not conditioned upon giving notice of the discovery of the forgeries, since the bank, by presenting the checks for payment, warranted their genuineness, the court held.

The Government's claim might be barred, if the bank were damaged by the Government's failure to give prompt notice on learning of the forgery, the court granted, but since the bank's prior endorsers were sol-

vent banks, it said, no damage was shown to have resulted.

One judge dissented on this point, arguing that the Government's delay had resulted in damage. He distinguished a prior case wherein it appeared that the bank could still recover from its prior endorser. Here, he said, each of the prior endorsers subsequent to the payees were Georgia banks, entitled to the protection of the Georgia law.

While that law has no direct application to the rights and duties of the United States on the checks, the rights and liabilities of an endorsee against a prior endorser, on an endorsement to which the United States is not a party, are controlled by the law of the state where the endorsements were made, he stated. Because of the Government's delay, he said, the bank had no opportunity to notify prior endorser banks and thus, under the Georgia law, lost its right against them. Therefore, the bank was damaged by "the unjustified delay of the United States" and the damages should be borne by the United States, and not by the bank, he concluded. *Fulton Nat. Bank v. United States*, 197 F. 2d 763. cf. *Paton's Digest*, Forged Paper §11.

PASSBOOKS

A LOWER New Jersey court has held that a provision in a savings bank signature card contract, prohibiting withdrawals without presentation of the passbook, is not for the benefit of the bank alone and cannot be waived by the bank to the detriment of its depositor. The Camden County Court, Law Division, has held that a bank which permitted one co-tenant of a joint account to withdraw some \$1,600 without presentation of the passbook is liable for that amount to the other co-tenant who possessed the book. *Forbes v. First Camden National Bank & Trust Co.*, 90 A. 2d 547.

SAVINGS BANKS

NEW YORK'S Attorney General has filed notice of appeal from the decision of a county court, holding unconstitutional a New York law restricting the use of the word "savings" to mutual savings banks only. That decision, *State v. Franklin Nat. Bank* was reported here in July 1951 BANKING.

JOHN RENÉ VINCENS

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ment contract work. Full reporting of contract procedure under the Armed Services Procurement Act, including procurement, performance and costs. Renegotiation policies also covered fully.

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BANKING NEWS

President Brenton Urges Bank Staffs to Set Voter Example at Polls on Nov. 4

BANKS throughout the country received from the American Bankers Association the suggested literature for use in reminding their employees and customers to vote on election day.

One piece of literature was a reminder to be posted on bulletin boards. The other was a suggested newspaper advertisement. The bank bulletin board reminder was an 8 x 11 poster reading as follows:

TO THE BANK MEN AND WOMEN OF AMERICA:

In this period of crisis, our nation needs the combined guidance of all citizens.

Through the ballot we can express our will. For a true expression of the will of the people, every qualified voter should go to the polls on election day.

Yet in 1948, only 51 percent of the people bothered to vote.

We who work in banks have an opportunity to set an example by resolving personally to vote, and by urging our neighbors and customers to do likewise.

*W. HAROLD BRENTON, President
American Bankers Association*

Recognizing the great importance of having a true representation of the will of the people in the coming election, the A.B.A. adopted a resolution at its 78th annual convention calling upon bankers to encourage voting by all.

A.B.A.'s Fifth National Credit Conference Scheduled for January 26-28 at La Salle in Chicago

LEADING bankers from all parts of the United States will meet in Chicago, next January 26-28 to discuss the problems of extending banking credit under the economic conditions which are in prospect for 1953. They will attend the Fifth National Credit Conference of the American Bankers Association, scheduled for the La Salle Hotel.

Plans for the conference, sponsored by the A.B.A.'s Credit Policy Commission, were announced by W. Harold Brenton, president of the Association and of the State Bank of Des Moines.

"This conference will give bank lending officers an opportunity to hear leaders of industry, government, and finance discuss the economic and industrial outlook of the nation and the world in the months ahead," Mr. Brenton said. "They will hear economic trends affecting credit explored from different points of view and will hold discussions on the internal problems of their business."



1953 Convention in Washington

THE 1953 convention of the American Bankers Association will be held in Washington, D. C., W. Harold Brenton, newly elected president of the A.B.A., announced recently. Mr. Brenton is president of the State Bank of Des Moines, Des Moines, Iowa. The dates will be September 20-23, 1953.

The last A.B.A. Washington convention was in 1934. The District of Columbia Bankers Association will be the host for the 1953 meeting.

Manual Favors and Tells How to Form Regional Clearing House Associations

THE formation of regional clearing house associations as an effective method of increasing cooperation among banks, with resulting improvement of bank service, is urged in a new manual just published by the Bank Management Commission of the American Bankers Association. The manual, which outlines the steps to be taken in forming a clearing house, is now available to interested A.B.A. member banks.

In suggesting the formation of these regional clearing houses, the manual says: "A regional clearing house association is a simple, inexpensive, and effective organization for bringing about the cooperation of the banks in a region or trade area on banking principles and practices, and local problems peculiar to that area. It is easy to organize and operate. There is very little expense involved, and the benefits to be derived are tremendous. It supplies the means of eliminating unprofitable practices and inaugurating sound ones. It builds up a spirit of confidence among bankers and eliminates petty rivalry and jealousy."

The manual contains detailed information on the initial steps to be taken in setting up the clearing house association. It then suggests a number of possible projects.

Standard Form of Liability Insurance for Corporate Fiduciaries Nearing Completion

THE annual report of the Insurance and Protective Committee, as filed with the Executive Council at the A.B.A. Convention in Atlantic City, shows that negotiations with the National Bureau of Casualty Underwriters for a standard form of liability insurance for corporate fiduciaries are nearing completion.

Another successful Public Relations Workshop was sponsored last month in Spokane, Wash., by the A.B.A.'s Public Relations Council. Speakers included Everett D. Reese, standing, A.B.A. vice-president, and president, Park National Bank, Newark, Ohio. Spokane bankers, seated l. to r., A. E. Reid, president, Old National Bank; Fred L. Stanton, chairman, Washington Trust Co.; J. E. McWilliams, vice-president, Old National Bank, and president, Spokane Clearing House; S. A. Kimbrough, vice-president, Spokane & Eastern Br., Seattle-First National Bank; W. K. Reid, vice-president, First National Bank

The project was started by a special committee of the A.B.A. Trust Division and was subsequently turned over to the Insurance and Protective Committee. All the contract provisions have been redrafted to adopt the Committee's suggestions and the improved clauses are embodied in an endorsement entitled Fiduciary Liability of Banks, which is intended for attachment to the Comprehensive General-Automobile Liability policy.

The new endorsement is designed to cover any and all liability on the part of a bank or trust company arising out of injuries or damages alleged to have been suffered in connection with the ownership or management of properties in estate, trust, and agency accounts. It also makes the coverage applicable to interests of other parties in estates, trusts, and real estate management contracts.

Another important feature of the endorsement is that it covers liability of the insured as fiduciary for accidents which occur after the bank or trust company first had the right or duty to act whether by appointment under a will, court order, or otherwise, and whether or not it had knowledge of its liability. Briefly, the endorsement will make available to 1,800 banks exercising trust powers, coverage similar to that enjoyed by some of the larger city trust institutions. Some of the larger banks and trust companies have special forms of endorsements recommended by counsel, and the committee will insist that standardization of the new form shall not mean that it must replace any other forms which may be preferred by banks.

Details of operating procedure on the part of underwriters remain to be settled, but it is hoped that this coverage will be available to all corporate fiduciaries before the end of the year.

Lender's Loss Payable Clause

Another endorsement for which the committee has completed negotiations is a Lender's Loss Payable Clause for attachment to fire insurance policies covering personal property other than automobiles. Like the Automobile Loss Payable Clause adopted in June 1951 and unlike so-called "simple" loss payable clauses, the proposed new I.R. June 1952 covering commodities gives lenders essential protection in the following respects:

(1) The bank *only* is named as a loss payee to the extent of its interest.

(2) The insurance as to the interest of the bank shall not be impaired or invalidated by any change in the title or ownership of the mortgaged property nor by any act or neglect of the mortgagor, except that the policy conditions must be complied with relating to value reporting, full reporting, total insurance, co-insurance, reduced rate contribution, or average clauses.

(3) In the event of cancellation—as provided by the terms of the policy—the company must give the bank at least 10 days' notice before such cancellation is effective as to the interest of the bank.

A.B.A. Members Comprise 98% of All U. S. Banks; Over 99% of Resources

T. J. O'BRIEN, immediate past chairman of the American Bankers Association's Organization Committee, announced during the recent A.B.A. Convention that Association membership had been increased by 97 banks and branches during the past year, bringing it to a total of 16,790. Mr. O'Brien is vice-president of the Second National Bank, Houston, Texas.

The membership is made up of 14,298 banks, 2,324 branches, and 168 members in foreign countries. Included are over 98 percent of all the banks representing over 99 percent of the nation's banking resources.

In 21 states and the District of Columbia, every bank is a member of the Association; and in five states, only one bank is a nonmember. The states with 100 percent membership are Alabama, Arizona, Arkansas, Delaware, Florida, Georgia, Idaho, Iowa, Louisiana, Missouri, Montana, Nevada, New Mexico, North Carolina, Oregon, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming.



Two additional American Bankers Association sound films—"Money Talks!" treating thrift and savings, and "A Future to Bank On," dealing with banking as a vocation—are presented to James Fitzwater, director of visual education of the Chicago Board of Education, by Henry E. Lee, president of Chicago District, Illinois Bankers Association, Margaret R. Hadley, Elliot W. Frank, and Moses M. Shaw. The Chicago District group is recruiting bankers to appear at schools with the showing of the films, in order to answer students' questions

The A.B.A. has members in every state and in Alaska, Bermuda, Brazil, Canada, Cuba, France, Great Britain, Hawaii, India, Japan, Mexico, Philippine Islands, Puerto Rico, Salvador, and the Virgin Islands.

New Christmas and Year-End Ads and Direct Mail Folders and Blotters

CHRISTMAS and year-end advertising and promotional material recently made available to A.B.A. members by the Association's Advertising Departments include the following:

Newspaper ads: Two four-mat series featuring Christmas Clubs, one known as the "Santa" cartoon series and the other as the "Christmas Wreath" series.

Direct mail: Two year-end folders entitled, respectively, "Time to Pause and Say Thanks" and "To You Our Thanks." Also, two blotters entitled, respectively, "Join Our Christmas Club" and "Start Now to Fill Your Stocking!"

According to John B. Mack, Jr., manager of the Advertising Department, "banks ordered over a million and a half copies of last year's 'thank you' folders. Each year the quantity increases, as more and more banks express their appreciation to customers and friends."

Annual Midwinter Meeting of A.I.B.'s Executive Council to be Held Jan. 28-30

THE annual midwinter meeting of the Executive Council of the American Institute of Banking, educational section of the American Bankers Association, will be held in the Soreno Hotel, St. Petersburg, Florida, January 28-30, 1953, according to Martin J. Travers, president of the Institute. Mr. Travers is vice-president, Power City Trust Office, The Marine Trust Company of Western New York, Niagara Falls.

The Administrative Advisory, Educational Advisory, Nominating, and Research and Development committees of the Council will meet on January 27, followed by regular business meetings of the entire Council on January 28-30.

The meeting in St. Petersburg is an executive session to discuss the policies and programs of the Institute. The Council will review the A.I.B.'s work plans for the Institute's annual convention in Cleveland, Ohio, June 8-12, 1953.

News for Instalment Credit Men

Items and Comment from Our Instalment Credit Commission and Other Sources

"Timely Notes on Instalment Credit"

TIMELY NOTES ON INSTALMENT CREDIT, a bulletin of the Instalment Credit Commission, was mailed in mid-October to the entire A.B.A. membership. The bulletin contains information on the recent credit survey conducted by the Commission; FHA Title I; appliance financing; floor plan arrangements; automobile financing; food-freezer financing; instalment credit terms; collections; fraud prevention; and notes on the Instalment Credit Commission's new advisory board.

BANKING quotes here a few of the important and timely parts of the bulletin.

FHA Title I—The stipulation of the National Housing Act with reference to Title I Section 2 (a) provides insurance on the aggregate amount of principal obligations of all loans, advances of credit, and obligations purchased under this section not in excess of \$1,250,000,000 at any one time.

While the authority of the Federal Housing Administration under Title I does not expire until 1955, authority to accept loans for insurance recordation continues only as long as the maximum authorization is not exceeded. There is no possible way of knowing whether the volume of business that will be reported this fall and winter will exhaust this fund or not, but we do know that the "run-off" or paid up loans will approximate \$75,000,000 per month. To this extent at least, the equivalent in new loans can be recorded and accepted for insurance.

If the maximum authority is reached, lenders may be inconvenienced by the inability of FHA billing promptly on new loans made during November and December. When the new Congress convenes in January, FHA will determine whether to seek an increase in the total insurance appropriation. If it should be decided not to seek an increase, or if Congress refuses to provide an increase, then FHA would notify lenders of a discontinuance of the insurance program setting some date subsequent to the date of notice as a cut-off date after which new loans would not be insured. While the possibility of such a situation is remote, nevertheless banks should give consideration now to setting up their own property improvement plan without benefit of Government insurance. First, determine legal status of direct loans as to amount and maturity.

Instalment Credit Terms—For a short period of time after the suspension of Regulation W, terms on instalment credit were somewhat unstable. This was expected in view of the over-inventoried position of many dealers, but presently terms are in line and banks generally have adopted sound and constructive policies. Inventories are in good balance and no need is evidenced to extend terms on a loose basis. There is plenty of evidence to show that credit policies are becoming more restrictive as many banks are urging a more selective credit approach. Increased equities in the purchase of consumer durable goods tend to insure better and less expensive collections. With volume at an all-time high, a review of credit policies now would make for a safe and sound operation in the future.

Fraud prevention: The safeguards developed through a check of employment, clearances through credit and litigation bureaus, and verification of address by mailing of the coupon payment book direct to the obligor by the bank have helped materially to minimize bank instalment credit exposure. In addition, audit controls, direct verification, dealer spot checks, rotation of inventory checkers, and dual control on disbursements, prepayments and past due accounts help to prevent sizable losses.

With prevalent increases in fraud, instalment credit operators and administrative officers should be more alert

than ever and take advantage of these all-time tested precautionary measures for their protection. Let us always remember our first lesson in credits—"take nothing for granted." Check and double check. Play a hunch. It may pay off.

Advisory board: With a working advisory board, representative of commercial banks outstanding in instalment credit, the American Bankers Association's Instalment Credit Commission should be in a better position to keep banks informed regarding mechanics, systems, procedures, forms, controls, and on developments which affect this type of banking function. A strong association represented by a senior group of instalment credit bankers, organized to discuss current problems; to make studies and surveys; to formalize and encourage meetings at the local level; to make information available to the state secretaries for distribution to their member banks, should benefit banks materially. A program of this nature should prove helpful to banks in discharging their responsibilities in their communities and to extend this credit on a safe and sound basis.

Food-freezer financing—The bulletin doesn't go very much into this subject except to suggest great care on the part of any bank entering into this field. Caution with complete analysis of these programs seems to be in order—many Better Business Bureaus over the country are receiving complaints as a result of unethical advertising of some overzealous promoters.

Credit Management Year Book 1952-1953

WHEN bankers are approached by retailers for detailed credit information in the retail field, they might want to remember the *Credit Management Year Book 1952-1953*, published by National Retail Dry Goods Association, 100 West 31st Street, New York 1, N. Y. (\$6 for members; \$10 for nonmembers.)

The book was compiled by A. Leonidas Trotta, manager of the credit management division of the association, and its research director.

The new volume contains material developed to enable retailers to measure the operating efficiency of their credit departments and shows cost as a percentage of net credit sales, dollar costs per transaction, and dollar costs per account billed. It gives also a bad debt loss survey classified by credit volume, and provides loss ratios for charge, instalment, and revolving credit accounts. Included are a report of the annual credit department production study, and an analysis of the pros and cons of new cycle billing control techniques with emphasis on the one- vs. two-control plan.

A special section of the book emphasizes the value of credit sales promotion, and contains information on methods of boosting credit sales volume; how to find and approach credit prospects, and a detailed discussion of the newest credit promotion ideas.

"If We Sit Where He Sits"

THE general field of consumer credit occupied a portion of the recent convention of the Association of Bank Women.

Irma S. Robins, assistant director of public relations of The Franklin National Bank, Franklin Square, New York, described the "Franklin National Charge Account Plan," copyrighted by her bank and leased to other banks throughout the country.

Nell C. Saylor, assistant trust officer and manager instalment credit department, Burke and Herbert Bank &

Trust Company, Alexandria, Virginia, pictured instalment lending in her address on "Under Regulation W and After."

Florence V. Campbell, assistant vice-president, The Bank of Commerce, Milwaukee, spoke on "The Human Factor in Consumer Credit." Miss Campbell said that "the attitude of the public toward the lending institution is largely de-

termined by the treatment the applicant receives at the hands of the loaning officer. It is within our power to eliminate the feeling of fear and antagonism which may lurk in the heart of the loan applicant, if we treat him understandingly, if we look at his problem through his eyes, if 'we sit where he sits.'"

News on Savings Banking

Items and Comment from Our Savings and Mortgage Division and Other Sources

Savings Films Reach Thousands

FILMS sponsored by the savings banks of New York State have been shown 4,345 times to audiences aggregating 760,767 people during the first six months of 1952, according to John Elbe, chairman of the motion picture committee of the Savings Banks Association of the State of New York, who is vice-president of The Lincoln Savings Bank of Brooklyn. This is the widest distribution for a six-month period that has been attained since the program started in 1942. Audiences reached were located in 61 of New York's 62 counties.

The savings banks offer free films on savings, banking, and simple economics to all types of school and adult audiences within the state.

Study on Where Savings Go

ANOTHER joint research project of the Business Executives Committee and the School of Business Administration, University of Minnesota, has been completed and is entitled *What People Are Doing With Their Savings Now*.

Part I of this project (both are sponsored by the Committee for Economic Development) was released in May and is entitled *How to Make Your Savings Work for You*. (Story on page 77 July BANKING.)

The latest study includes data under these main headings: (1) Summary of findings; (2) life insurance; (3) accumulated savings; (4) total estate; (5) annual savings; and (6) savings programs and problems.

The Business Executives Committee is composed of prominent business executives in the Minneapolis-St. Paul trade area, including three Minneapolis bankers—A. C. Buffington, assistant cashier, First National Bank of Minneapolis; John De Laitre, vice-president, Farmers & Mechanics Savings Bank; and V. E. Luscher, vice-president, Northwest Bancorporation.

Copies of both studies are available from the School of Business Administration, University of Minnesota, Minneapolis 14. Price of Part II is \$1 per copy.

Restoration of Thrift Dollar

RESTORATION of the thrift dollar is of immediate urgency to the thrift banker, said Joseph Earl Perry, retiring president of the A.B.A.'s Savings and Mortgage Division in an address on "Thrift Banking in the Great Transition" at the Association's Atlantic City Convention.

"It is a statutory crime to debase or mutilate the currency," he said.

"How much greater the wrong to debase the value of all savings, all life insurance, all fixed incomes, all pensions and all investments! So far as the debasing of the American dollar has been the unavoidable consequence of war, no individual culpability can be ascribed; but so far as it has been the result of immoral seeking for votes or of loose economic thinking or of callous disregard of duty, it may yet rank as the greatest crime in American history.

"The fight to restore the value of the dollar is not hopeless; but it will call for clear thinking, courageous action, stern self-denial long sustained. The reversal of past

New Savings and Mortgage Officers

PLEASE turn to "The A.B.A. in Atlantic City," in this issue, for the names and biographical sketches of the new officers of the A.B.A.'s Savings and Mortgage Division.

trends must not be too abrupt or too arbitrary. No single formula can be devised to restore the value of the American dollar; nor can we achieve that result merely by reversing all the wrong steps that have brought us to our present pass for we must set out from a different starting point and adapt our policies to present conditions. The basic cure, however, must spring from thrift. The entire thrift industry should enlist for the duration in this battle for the integrity of our economic system. The dollar is a symbol of property, but even more it is a symbol of human rights and human integrity."

School Savings Banking Party

THE Dollar Savings Bank of New York City entertained about 300 district superintendents, principals, and teachers at its sixth annual school savings party last month. Directors, officers, and staff members were hosts to the school representatives, who heard President Robert M. Catharine outline the progress and growth of the bank's school savings program, which, he said, could not have happened without the whole-hearted cooperation of the school guests.

Ethel F. Huggard, associate superintendent of schools for New York City, was guest of honor and principal speaker.

The talks were followed by a reception and buffet supper. After dinner a three-piece orchestra played for dancing.

The Dollar Savings Bank has over \$4,000,000 in school savings deposits from about 85,000 school depositors in 130 schools. During the school term it receives about 25,000 deposits a week.

2nd Quarter Liquid Savings

DURING the second quarter of 1952 individuals in the United States saved \$1.7-billion in liquid form, according to the Securities and Exchange Commission. This rate of saving compares with \$2.6-billion in the first quarter of this year and \$3-billion in the second quarter of 1951.

Insurance again constituted the largest component of liquid savings, amounting to \$2-billion. Individuals' holdings of currency and bank deposits increased by almost \$1.2-billion in the second quarter, compared with a decrease of \$2.3-billion in the first quarter and a \$200,000,000 increase in the second quarter of 1951. Time and savings deposits rose by \$1.1-billion, slightly higher than in the first quarter, and representing the largest increase in this form since the third quarter of 1946.

Investments in savings and loan associations during the second quarter were larger than for any previous quarterly

period, and amounted to over \$800,000,000. In the preceding period, net investment of this type totaled \$700,000,000 and in the second quarter of 1951 amounted to \$600,000,000.

Net new corporate securities issued in the second quarter of this year amounted to \$2.5-billion, a higher rate than at any time since 1929.

U. S. Savings Bonds held by individuals remained practically unchanged during the second quarter.

Mortgage debt of individuals increased by \$1.4-billion in the second quarter, following a seasonal increase in new home construction. Other consumer debt, primarily installment credit, also rose by \$1.8-billion.

Conference Changes

SINCE publishing the tentative program for the Regional Savings and Mortgage Conference of the American Bankers Association in October **BANKING** (page 90), some changes have been announced by Division President Wendell T. Burns, as follows:

First session, November 10, 10 A.M.: Robert W. Storer,

Savings Articles Elsewhere

OTHER savings banking material which may be found elsewhere in this issue, includes: "Population and Savings," by D. James Pritchard, vice-president, Society for Savings, Cleveland, page 38; "What to Pay for Savings" (an A.B.A. survey), page 48; and "Thrift Education," story on the New York State Savings Banks Association's new school thrift promotion material, page 104.

vice-president, Manufacturers National Bank, Detroit, speaking on "Investing Savings Funds in a Commercial Bank." He will take the place of F. Brian Reuter, vice-president, Mellon National Bank and Trust Co., Pittsburgh, who was initially scheduled on the program.

Second session, November 10, 2 P.M.: George Grim, columnist and foreign correspondent of the *Star and Tribune*, Minneapolis, on "Adventure, South America."

News for Mortgage Credit Men

Items and Comment from Our Savings and Mortgage Division and Other Sources

New GI Down-Payment Schedule

EFFECTIVE October 2, 1952, new terms applying to GI loans on homes were announced by the Veterans Administration.

The new terms represent a modification of those announced immediately following the suspension of Regulation X on September 15, and have the effect of placing veterans in a more favorable position in the \$7,000 to \$8,000 price range. These changes have been approved by the Housing and Home Finance Administrator. It was emphasized that the down-payments were minimum amounts, and do not prevent the lender from requiring a larger down-payment.

The Veterans Administration also announced that in certain substantial hardship cases, it may waive the down-payment on homes costing over \$8,000, but the veteran must pay closing costs in cash.

Following is a table showing minimum down-payment requirements of the Veterans Administration of \$1,000 intervals:

Sales Price Up to	Net Down Payments
\$ 7,000	Closing costs only
8,000	" " "
9,000	\$ 450
10,000	500
11,000	550
12,000	600
13,000	650
14,000	700
15,000	750
16,000	800
17,000	850
18,000	900
19,000	950
20,000	1,000

Open-end Mortgage Clauses

HOME mortgages, except FHA-insured loans, written by the Dime Savings Bank of Brooklyn on one-family dwellings, will carry an open-end clause, according to President George C. Johnson. This will permit mortgagors at the bank, he said, to borrow for improvements or repairs of their homes and repay the loans monthly with a consider-

ably reduced outlay over that required for repayment of conventional modernization loans.

Dime has written open-end clauses into several thousand home mortgages during the last two years, Mr. Johnson said.

Under the Dime plan, home-owners who have open-end clauses in their conventional mortgages may, at any time, borrow a sum equal to the amount of the principal paid off. This sum will be added to the unpaid balance of the mortgage, and payments on principal and interest of the additional sum will be added to the original amount of monthly payments.

FNMA Mortgage Purchases

NINETY-ONE percent of \$13,000,000 worth of 1,517 mortgages purchased by FNMA during August were mortgages on defense housing, according to J. S. Baughman, president of the Federal National Mortgage Association. The remaining 9 percent were mortgages on disaster and Alaskan housing. Of the \$13,000,000 in mortgages purchased, \$4,000,000 were purchased over-the-counter and \$9,000,000 were based on commitments previously issued.

Also during August FNMA entered into advance commitments to purchase an additional \$36,000,000 worth of defense and military housing and Alaskan mortgages. Outstanding commitments to purchase mortgages aggregating \$2,000,000 were canceled. Total advance commitments outstanding on August 31 (latest date for which figures were available at press time) aggregated \$299,000,000.

August operations increased FNMA's portfolio to \$2,068,000,000 from \$2,064,000,000. Uncommitted funds available to FNMA decreased to \$1,283,000,000 from \$1,311,000,000 on July 31.

Home Owners Defrauded

HOME OWNERS in over 40 cities are being led into expensive renovation jobs by the "model home" device used by certain unscrupulous operators, according to the Northwestern National Life Insurance Company. A survey made by the family economics bureau of Northwestern through the cooperation of Better Business Bureaus from coast to coast, finds salesmen using the "model" scheme to get home owners' signatures on contracts for imitation stone and imitation brick siding, asbestos siding and roofing, "mastic" paints, basement waterproofing, patio work, water softeners

and dishwashers, as well as complete home renovation jobs.

With this scheme the salesman or sales crew offers the home owner what is represented to be a special low price if he will agree to allow the completed job to be shown to other prospective customers, and on television, in newspaper advertisements, etc. Usually he is promised a commission on all sales which result from showing his "model" job; these commissions, he is often told, will pay the entire cost of his own job, or even show him a profit.

Actually the victim is merely betrayed into signing a standard contract for the work, and in many cases is charged double what an honest contractor would bill him for the job. In most cases, no prospects are ever brought to see his "model" home; no commissions are paid to him. Often he gets substandard materials and workmanship besides.

Concern Over Rapid Credit Expansion

SPEAKING on "Dollar Integrity" at the annual convention of the American Bankers Association, Senator A. Willis Robertson (D. Va.) had this to say about mortgage credit:

"I have been somewhat concerned over the rapid expansion of real estate mortgage credit which rose from an outstanding total of \$20-billion in 1945 to more than \$54-billion this year, and I was opposed to the provision written into the Defense Production Act which requires suspension of credit controls if new housing construction falls below a rate of 1,200,000 units a year for three consecutive months the highest rate in our history. I was encouraged to learn recently, however, that in the first seven months of this year, outstanding advances of Federal Home Loan Banks

New Housing Starts

ADDED interest in the rate of new housing starts has continued since suspension of credit controls, for they could be reinstated if they exceed \$1,200,000 a year.

	1952	1951
January	68,000	85,900
February	77,000	80,600
March	103,900	93,800
April	106,200	96,200
May	109,600	101,000
June	103,500	132,500
July	104,000	90,500
August	99,000	89,100
September	98,000	96,400

to their member institutions have declined 18 percent and that the outstanding notes of the Federal Home Loan Banks decreased 50 percent, with the result that the outstanding advances of this bank system to its members now represents only 3.3 percent of their assets.

"Under these circumstances, the tightened money market may provide all the restraint that is needed to prevent further unwarranted inflation of real estate values and a topheavy mortgage situation which might become dangerous when the tide of inflation turns, as some day it will. Edmund Burke said that nations do not learn by experience, but I am sure our bankers learned something about the danger of inflated real estate loans following the stock market crash of October 1929."

News for Trust Men

Items and Comment from Our Trust Division and Other Sources

Reciprocal Legislation

SPEAKING at the annual meeting of the Trust Division of the American Bankers Association in Atlantic City recently, Division President Joseph W. White, who is vice-president of the Mercantile Trust Company, St. Louis said, in part:

"Among the problems that confront us is the troublesome situation caused by certain states erecting barriers which prohibit out-of-state trust institutions from acting as executor, administrator, guardian, or trustee within their borders. A bitter struggle arose in the Midwest last spring among Illinois, Missouri, and Kansas, when Missouri passed a law permitting ancillary administration under certain conditions on intangibles of nonresidents. Illinois countered by introducing a bill in its legislature prohibiting nonresident corporations from acting in a fiduciary capacity in that state.

"Fortunately, the bill was defeated. Kansas likewise was most critical of Missouri's action, and numerous protest meetings were held. Considerable bitterness was engendered among the trust officials of the three states. This antagonism should never arise in the trust business, where there should be only the closest cooperation.

"Realizing this, the Corporate Fiduciaries Association of Southern Illinois and the Corporate Fiduciaries Association of St. Louis held a series of meetings in an effort to find a solution. In the early summer, a settlement was reached and a pact signed by the two associations, in the nature of an agreement on competition in the two areas until reciprocal legislation can be enacted in Missouri.

"The Kansas Fiduciary Association has indicated a willingness to meet with the Kansas City, Missouri, Corporate Fiduciaries Association in an effort to work out a plan for reciprocal legislation between the two states. The officers of the Trust Division have been endeavoring to further this movement."

Bulletin on New Officers

Names and biographical sketches of the new officers of the A.B.A. Trust Division, elected at the Association's 78th annual convention, will be found in the convention story, "The A.B.A. in Atlantic City."

M.D.'s Estate Planning Booklet

THE series of articles on *Estate Planning for Physicians* written by W. C. McClanahan, assistant vice-president, Lake Shore National Bank, Chicago, for the *Journal of the American Medical Association* has been reprinted and copies are available to banks and trust companies.

The booklet is attractively designed with a two-color cover, on which the bank's signature may be imprinted. Copies may be ordered from D. D. Staples Associates, Mutual Building, 9th and Main streets, Richmond 19, Virginia.

This same series has also been reprinted in slightly different form for distribution to life insurance men. The insurance edition may be obtained from Insurance Research and Review Service, Inc., Indianapolis, Indiana.

Human Relations Pointers

AMONG the speakers on a trusts panel at the national convention of the Association of Women Bankers in Atlantic City were Grace C. Curtis, trust officer, The New England Trust Company, Boston, whose subject was "How a Trust Department Serves the Community," Elizabeth Van Sciver, assistant trust officer, The First National Bank of Princeton, New Jersey, who spoke on "Federal Estate Taxes," and Mary L. Jessee, assistant trust officer, Gary (Indiana)

National Bank, whose subject was "The Human Side of Trusts." Elsie Parker, trust officer, secretary, and director of the Southern Trust Company, Clarksville, Tennessee, was moderator.

Miss Jesse listed several things to look out for in strengthening human relations. This examination includes:

"(1) Know yourself—evaluate yourself. Study your own reactions to people and analyze your reactions to certain people and certain problems.

"(2) Know your customer. Listen to his problems. Encourage him to tell you about his family, his work, his social activities. Learn from others about this customer of yours when the opportunity arises. We should make a thorough study of human behavior and have the ability to understand our customers' desires, their wants, fears, hopes, and aspirations.

"(3) Keep cheerful. Don't let disgruntled individuals get you down.

"(4) Be tolerant. Remember that you might have been of another color or of another faith. What does the fellow on the other side of the fence think of you?

"(5) Be clear and concise. Speak in terms that the customer can understand.

"(6) Be sympathetic and understanding. At this point we can really go overboard, but of course, we cannot allow our sympathy to run away with us."

Trust Quiz Folder

A FETCHING little trust quiz folder (approved by the Passaic County Bar Association) is being circulated by the 1st National Bank and Trust Company of Paterson, New Jersey. The attention-getting head challenges the recipient with this catchline:

"2½ to 1 You Don't Know All the Answers"

and parenthetically adds this statement: "(it may be costly if you don't)."

Then the bank presents five three-part true or false questions. Correct answers are presented on the final fold. Trust department selling copy, with pictorial drawings, is included on the inside folds.

Mid-Continent Trust Speakers

ADDITIONAL speakers at the 21st Mid-Continent Trust Conference of the American Bankers Association in Dallas, Texas, on November 13-14 (preliminary program is on page 93, October BANKING), have been announced by incoming Trust Division President Robert A. Wilson, who is senior vice-president, The Pennsylvania Company, Philadelphia. These speakers include:

First session, November 13: The Honorable Allan Shivers, Governor of Texas, who will welcome the trust men to the Lone Star State, and Wesley S. Izzard, editor and publisher



Bankers active in negotiations leading to the purchase of the *Cincinnati Enquirer* by nearly 3,000 of the paper's employees included: Reuben B. Hays, president, Lawrence Davis, vice-president, and Arthur Clark, trust officer, First National Bank of Cincinnati; Frank Van Lahr, president, Julius Reif, and M. J. Strobl, trust officers, Provident Savings Bank & Trust Co., Cincinnati. First National is registrar for the mortgage bonds and Provident Savings registrar for the convertible debentures. At signing of the bond certificates in Chicago, left to right, Roger H. Ferger, publisher and president of the new employees' corporation, signing the bonds; James H. Ratliff, Jr., reporter, secretary, and vice-president of the corporation; Francis L. Dale, attorney; and Bankers Clark and Strobl.

of *The Amarillo Daily News*, on "The Next Four Years."

Fourth session, November 14: In addition to a series of short talks on "How to Develop More Trust Business," William O. Heath, vice-president of the Harris Trust and Savings Bank, Chicago, will speak on "The Trust Officer's Viewpoint." "The Business Man's Viewpoint" will be presented by Joe C. Thompson, president of The Southland Corporation, Dallas; and "The Lawyer's Viewpoint," by Dudley K. Woodward, Jr., attorney and chairman of the board of regents of the University of Texas, Dallas.

Dallas Clearing House Association banks will be hosts to the conference delegates.

This conference will bring together trust men from 19 states, including: Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, and Wisconsin.

CALENDAR

American Bankers Association

- Nov. 10-11 Regional Savings and Mortgage Conference, Hotel Nicollet, Minneapolis
- Nov. 13-14 Bank Agricultural Representatives Conference, Kentucky Hotel, Louisville
- Nov. 13-14 Mid-Continent Trust Conference, Adolphus Hotel, Dallas, Texas

1953

- Jan. 26-28 National Credit Conference, LaSalle Hotel, Chicago
- Feb. 9-11 33rd Annual Midwinter Trust Conference, Waldorf-Astoria Hotel, New York City
- Mar. 3-4 Annual Savings and Mortgage Conference, Statler Hotel, New York City
- Mar. 23-25 National Instalment Credit Conference, LaSalle Hotel, Chicago

State Associations

- Nov. 5-7 New York Savings, Greenbrier and Cottages, White Sulphur Springs, W. Va.
- Nov. 10-11 Nebraska, Lincoln
- Nov. 20-22 Arizona, Arizona Biltmore, Phoenix

Other Organizations

- Nov. 30-Dec. 5 Investment Bankers Association of America, Hollywood Beach Hotel, Hollywood, Florida
- 1953
- May 25-27 Pennsylvania Bankers Association, Chalfonte-Haddon Hall, Atlantic City

Bank Women in Eventful Annual Session

MARY B. LEACH

INTELLIGENCE and glamour waged a lively contest at the lectern throughout the sessions of the 30th annual convention of the Association of Bank Women held at the Hotel Dennis in Atlantic City on September 25-28. In a setting of flowers and jewels (genuine and costume) the women bankers conducted their business meetings and educational sessions with charm and skill.

This was the association's largest convention, according to Nancye B. Staub, assistant secretary and assistant trust officer of the Morristown (New Jersey) Trust Company, who was the 1951-1952 ABW president. More than 250 women bank officers from all areas of the United States were in attendance.

"It seems to me that primarily we attend a convention," said Sara Baylis Johnson, the convention's general chairman, "to get a broader view of our everyday routine and to exchange ideas with members who are in the same line of work and whose banks render similar services. We make an investment when we come to a convention, the return on which should benefit our banks, our public, and ourselves." Mrs. Johnson is a director of the Bank of Rockville Centre Trust Company,

The factual discussions of banking problems during the ABW convention were generously interspersed with humor. General Convention Chairman Johnson is shown in the lower left hand corner of this audience shot

President Cleary, left, in the presence of Treasurer McClure and Vice-president Sherrill, takes over the ABW presidency from retiring President Staub



Rockville Centre, New York, and is director of the bank's public relations department.

Women Knock at School Doors

The ABW convention adopted a resolution petitioning bankers' schools conducted by state bankers associations to admit women bank officers.

The resolution reads in part:

"Now, therefore, be it resolved that the Association of Bank Women, a national organization, that the School of Banking at the University of Wisconsin be and it is hereby requested to permit the

registration of eligible bank women for admission to the courses of said school, beginning with the 1953 term.

"Be it further resolved, that all other graduate, state, and regional schools of banking in the United States which do not now admit eligible bank women to their courses be and they are hereby requested to permit the registration of eligible bank women for admission to the courses of their schools."

New Officers

Catherine B. Cleary, trust officer of the First Wisconsin Trust Company, Milwaukee, and 1951-1952 ABW vice-president, was elected president of the association at the concluding convention session. She is a graduate of the University of Chicago and the University of Wisconsin Law School. She practiced law in Chicago before joining the staff of First Wisconsin five years ago.

Miss Cleary is now a member of the executive committee of the Milwaukee Bar Association; chairman of the committee on Federal legislation of the Wisconsin Bar Association; a member of the Wisconsin Bankers Association's committee on banking forms and procedures; and a member of the board of regents of the Wisconsin State Colleges.

(CONTINUED ON PAGE 138)



PHOTOS BY CENTRAL STUDIOS

Methods and Ideas

(CONTINUED FROM PAGE 47)

The new program is described as "modern, flexible and really liberal." The bank will bear the entire cost of the retirement plan. The salary base for computing pensions will be the average of the last five years before retirement, and the multiplier for each year of service will be $1\frac{1}{2}$ percent instead of varying percentages.

Special provisions will be made

for survivors' benefits and for other contingencies designed to safeguard the staff and their families. Improved recognition will be accorded those serving in the U. S. armed forces.

Staff members who have contributed to the old plans will have three options of what to do with their total contributions: they may deposit these funds in the new thrift-incentive plan, purchase annuities in addition to those available under the new plan, or withdraw the sum in cash.

The new thrift-incentive feature is a cooperative undertaking in which the bank offers staff members who wish to participate voluntarily an incentive to build a future reserve fund by joint contributions for their benefit. Major points are:

Employees who join may contribute 2 percent, 4 percent, or 6 percent of their salaries by payroll deductions. The bank's contribution will be based on the amount of net operating earnings before income taxes each year. Whenever net operating earnings before taxes amount to \$10,000,000 or more per year, there will be a contribution computed on a sliding scale upward.

The objective will be to make distributions from the fund to employees after retirement, death, or termination of employment. Members who leave within a limited period after joining the plan will receive the full value of their own contributions plus a portion of the bank's.

In addition to continuing free life insurance in an amount approximating one year's salary, the new plan provides for a reduction of about 14 percent in the cost of a like amount of contributory insurance. Upon retirement or after 40 years of service the cost of the contributory insurance will be paid by the bank.

The plan was announced subject to approval by regulating authorities in Washington.

Bank Letter to Servicemen

THE STATE NATIONAL BANK of El Paso reports that its personalized bi-monthly news letter to servicemen is "a smashing success."

Written by Chris P. Fox, the
(CONTINUED ON PAGE 100)

This is Chris P. Fox who edits Home Town News, the servicemen's bi-monthly letter distributed by the State National Bank of El Paso



BANKING



MANY CITIES on the North American continent thrive where once a fur trader's post stood. Because pelts were valued in Europe as high as thirty times their cost in the colonies and because they were obtained at such a risk of life, trading in furs was once the most important industry in French America. In fact, it might be termed one of the causes of the French and Indian Wars.

NEW HAMPSHIRE
FIRE INSURANCE COMPANY

Incorporated 1869
MANCHESTER,
NEW HAMPSHIRE

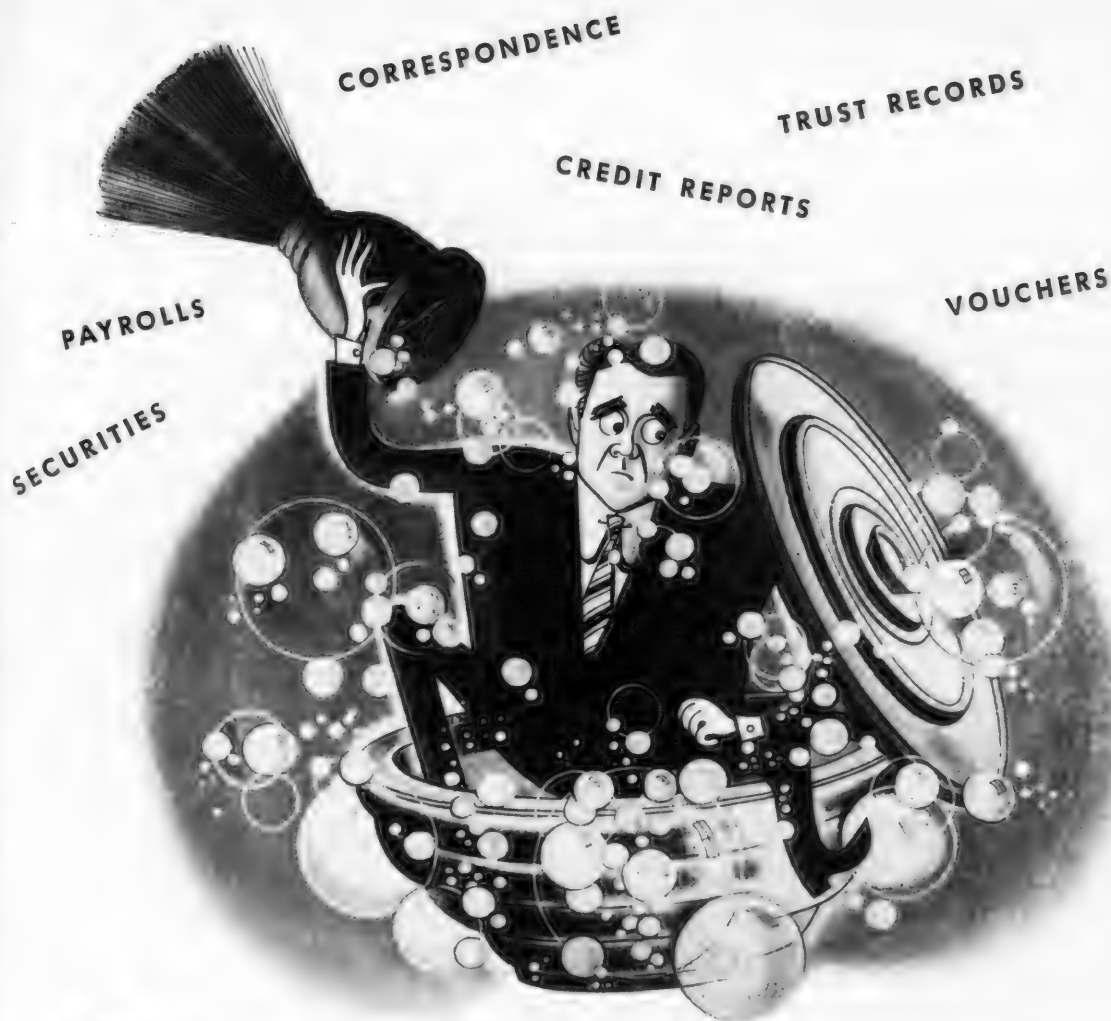
GRANITE STATE
FIRE INSURANCE COMPANY

Incorporated 1885
MANCHESTER,
NEW HAMPSHIRE



Furs today are owned with no less appreciation, even though they have become so popular. They deserve the protection which only a fur floater can give.

How many thousands of dollars are represented by the coats, scarves, stoles, and capes which adorn the ladies of your town? It is a public service to tell these neighbors about the all-risk fur floater which is the only sure way to protect such a substantial investment.



IN A LATHER...

about how to turn out more distinctive typing?
you won't be when you start using the new

Remington *Electri-conomy*



Electri-conomy typing is precision typing! Every character, every word, every line is neat, uniform, distinct. Each letter, report and statement you send out commands instant attention... conveys a business-like impression of both you and your bank.

And that isn't all—the *Electri-conomy* can step up typing production, frequently as much as 50%. It will give you 15 and more sharp, fully-readable carbons... improve your office efficiency and employee morale as well.

Remington Rand
THE FIRST NAME IN TYPEWRITERS

Free *Electri-conomy* demonstration or free booklet "TAKE A LETTER" (RE 8499) yours for the asking. Write Remington Rand, Room 2485, 315 Fourth Ave., New York 10, N. Y.



(CONTINUED FROM PAGE 98)

bank's public relations director, *The Home Town News* comprises four tightly-packed pages of items covering events of interest to the 1,000 El Pasoans on duty with the Armed Forces. Personals, sports, births, marriages, deaths, retirements, and other current happenings are reported.

Congratulations!

FARMERS BANK OF THE STATE OF DELAWARE used a display ad to congratulate publicly its oldest cus-

tomers, E. I. duPont de Nemours & Company, Inc., on duPont's 150th anniversary.

"For 145 years," said the copy, "the Farmers Bank of the State of Delaware has been closely associated with the duPont Company. Besides being the bank's oldest customer, the company's founder, Eleuthere Irenee duPont, and his brother, Victor, were early directors. Down through the years many successive generations have served the bank in the same capacity."

Prominent in the ad was a letter

from the bank's files, written by Eleuthere duPont on December 28, 1813, to John Warner. It requested that Warner "have the goodness to put your name to the enclosed note and offer it at the Farmers Bank tomorrow morning. Please to mention to the Directors that if they wished it part, or the whole, of this note will be paid when due. If the note is done please to have an acct. open for it on E.I.D.P. name. . . ."

The bank received letters "from nearly every state in the Union complimenting us on the setup and the way we handled the ad," says Vice-president Gordon Willis of Dover.

....."FREE" Business.....

Consumer Credit Business, secured without loan acquisition costs, such as Renewals, Repeats and through Recommendations, is wholly dependent upon good customer relations.

Because of this fact our great Banking and Financing Companies have found that it pays in customers good will, as well as dollars, to use Allison's Coupon Books on Time Payment Accounts. Here's why:

- The speed they provide in serving customers.
- Convenience for customers when forwarding mail payments.
- Their effectiveness in advertising to customers.

If you are seeking a means of reducing your costs of loan acquisition through the medium of "Free" Business, don't overlook learning how this proven method will help concentrate your customer's business in your bank. Write today for full information and an assortment of samples. No cost. No obligation.

ALLISON COUPON COMPANY, INC.
INDIANAPOLIS 6, INDIANA

MUTUAL INVESTMENT FUNDS

Investors **MUTUAL**

Investors **STOCK FUND**

Investors **SELECTIVE FUND**

FACE-AMOUNT CERTIFICATE COMPANY

Investors **SYNDICATE OF AMERICA**

★
For prospectuses of any of these investment companies, check one of the boxes below:

Investors **DIVERSIFIED SERVICES, INC.**

Established 1894

238 ROANOKE BUILDING, MINNEAPOLIS 2, MINNESOTA

- | | |
|---|---|
| <input type="checkbox"/> INVESTORS MUTUAL | <input type="checkbox"/> INVESTORS SYNDICATE OF AMERICA |
| <input type="checkbox"/> INVESTORS STOCK FUND | <input type="checkbox"/> INVESTORS SELECTIVE FUND |

Please send the prospectuses about the investment company or companies checked above.

NAME _____

ADDRESS _____ CITY _____ STATE _____ ZONE _____

"The Little Things"

*"It's the little things that count,
It's the little things we do,
That make our bank alert, alive,
And a pleasant place for you!"*

THUS the EAST RIVER SAVINGS BANK, New York City, opens a promotion piece that calls depositors' attention to 10 easily overlooked by-products of the bank's service.

For example, the folder reminds the customers: "Your money order form is brief and easy on the eye. Ever notice the pleasant style and color harmony of the paper, type, and ink? These do add a bit of

Last month this department pictured the cracker-barrel advertisement of the Hollywood (Cal.) State Bank. Here's the barrel, and a customer being served from its contents. The ad, calling attention to the innovation, said many folks—and banks as well—believed there was ample room for "cracker-barrel thinking"



BANKING

Bankers' Holiday

THE SECOND NATIONAL BANK of Cumberland, Maryland, took its officers and employees to Pittsburgh for an intensive study of three large banks. Traveling by bus on a legal holiday, the tourists visited the Pittsburgh branch of the Federal Reserve Bank of Cleveland, the Mellon National Bank and Trust Company, and the Peoples First National Bank and Trust Company.

pleasure to your use of our money orders for your small bills . . . don't they?"

And the savings club passbooks, in colored envelopes, are "dramatic and gay, symbolic reminders of Christmas, a happy vacation, a brand-new home, or what-have-you." The depositors carry their club books 50 weeks a year, "so we think they should be a timely, attractive, neat, and convenient reminder of your desire to save for a purpose . . . don't you?"

The bank comments in similar vein on its passbook covers, tellers' signs, displays, piggy banks, fast service, junior accounts, safe deposit vault facilities, and wired-in music.

In Brief

FIRST NATIONAL BANK of Arizona, Phoenix, has opened a special service department headed by a woman. The department will emphasize finance forums for women and other activities designed to explain the bank's services and to tell prospective women customers about them.

Its director is Miss Bess B. Stinson.

THE WHEATLEY HILLS NATIONAL BANK of Westbury, Long Island, New York, sponsored a school essay contest on the history of the community and its environs. Participants first visited the bank in groups to study the 24 color transparencies which, as decorations on the tellers' screens, depict outstanding places and buildings in the area from Indian and colonial times to the present. The pictures were used as an outline for the essays. Bank officers supplemented them with talks. Winners received Savings Bonds as prizes.

Auditing Instalment Loans

(CONTINUED FROM PAGE 47)

ment manager. Disburse rebate proceeds either by applying the amount to cover the balance of the note, or by bank check—never in cash. Large rebates should be consistently double checked by the auditing staff; the small amounts should be spot-checked at intervals.

Other Income Accounts. These items, derived from fines, service charges, and miscellaneous sources,

should be carefully scrutinized. Debits to these accounts should describe the items in detail and be properly approved. They should not be used to cover petty expenses, write-offs of lost payments, etc.

Credit Files. In many banks credit files—particularly dealer files—are periodically reviewed. If loans are to be appraised, this procedure becomes necessary in order to make proper classification.

Your customers are looking at Canada, ARE YOU?

U.S. capital is busy in Canada, developing vast deposits of copper, iron, lead, zinc, titanium . . . helping to finance the tremendous oil boom in the west.

Let Imperial Bank keep you up-to-date on Canada's changing scene. With branches located strategically throughout the mining and oil fields, we can provide intimate information about business conditions, trends and opportunities.

We invite interested U.S. Banks to write us . . . we'll be glad to outline our services. Write Superintendent of Foreign Business, Head Office, Toronto.



IMPERIAL
THE BANK THAT SERVICE BUILT
IMPERIAL BANK OF CANADA

Other Organizations

The news in this department is edited by WILLIAM P. BOGIE of BANKING'S staff.

Robert Morris

ALTHOUGH the nation's private credit position is strong, two top spokesmen for ROBERT MORRIS ASSOCIATES said in Minneapolis, September 21, that they are not optimistic about the future.

Speaking at the association's annual convention attended by 650 credit men, B. F. Barnett, retiring president, and E. Lawrence Worstall, new president, contended that the present high level of business activity is largely the result of Federal Government spending.

"There is nothing fundamental in our economy which justifies long-range optimism," said Mr. Barnett. "Our prosperity is built on defense, foreign spending, and welfare programs wholly politically generated."

Although neither Mr. Barnett nor Mr. Worstall saw any signs of an immediate downward trend, they pointed out that bank loans are at an extremely high level.

E. Lawrence Worstall (left), president of the Robert Morris Associates and vice-president of the Philadelphia National Bank, with B. F. Barnett, retiring president of RMA and president of the Citizens National Bank, Tyler, Texas



"It isn't difficult to borrow for legitimate purposes," said Mr. Worstall, "but interest rates have risen."

A dissenter was keynoter Meyer Kestnbaum, president of Hart Schaffner & Marx, Chicago.

"Business will be good in 1953," the clothier declared, "and by doing some planning, American businessmen can be ready for the day when defense spending declines."

Mr. Kestnbaum stated that the peak in defense spending will probably be reached in 1954 and that any decline in spending will be gradual for many years.

The group announced that it will hold its 1953 convention in Atlantic City. In 1954 the Cleveland chapter will play host.

Vote!

"VOTE as you Please—but Please Vote" is the latest in a series of public service messages being distributed by members of the PENNSYLVANIA BANKERS ASSOCIATION. This theme will be broadcast by Pennsylvania banks right up to Election Day, November 4, in a non-partisan effort to get out the vote in this presidential year.

The association has sent 1,000 posters, 500,000 leaflets and 200 newspaper ads to members participating in its cooperative educational program.

Pennsylvania banks have just completed a comprehensive campaign encouraging the public to register prior to the Pennsylvania deadline of September 13. Posters, folders, and newspaper advertising on the theme "Register and Vote"

(CONTINUED ON PAGE 104)



An outstanding feature of this year's 12th Annual Virginia Banker's School was the section for trust men, sponsored by the Committee on Trust of the Virginia Banker's Association. It had a record enrolment of 44 students which contributed to a total record enrolment of over 225 in the entire school. Gorham B. Walker, Jr., trust officer of the Lynchburg Trust and Savings Bank, was chairman of this year's Trust School. In the picture below, J. Van Dyke Norman, executive vice-president, The Kentucky Trust Company, is shown lecturing to the Trust Section of the Virginia school

Instantly ACCEPTED...



Wherever your customers go—across the state or around the globe—you can always be sure they will feel safe and *at home* with American Express Travelers Cheques. For these Travelers Cheques are constant reminders of your bank's service at its best!

The Most Honored Cheques in the World

Through more than 60 years of service to the public, backed by vigorous promotion and national advertising, American Express Travelers Cheques have always been the best-known cheques by far . . . instantly recognized and accepted in a million places in this country and all over the world.

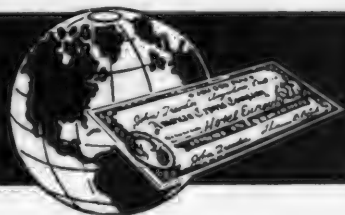
Spendable *anywhere, anytime*, they're 100% safe, easiest to cash!

Exclusive Plus Services

Think of the extra services available *only* through American Express! Every one of more than 200 offices in the United States and abroad becomes a "service station" for your customers—providing willing assistance for any travel problem. In case of loss or theft, when speed counts most, a quick refund or financial help is given with the same degree of courtesy your customers find at your bank. Doesn't all this add up to greater customer satisfaction?

AMERICAN EXPRESS TRAVELERS CHEQUES

THE MOST WIDELY ACCEPTED CHEQUES IN THE WORLD!



(CONTINUED FROM PAGE 102)

were beamed at the public on a state-wide basis.

A booklet entitled *Good Citizenship Program — A Non-Partisan Register and Vote Campaign* has been published and distributed by the Committee on Public Information of the NEW YORK STATE BANKERS ASSOCIATION. The booklet contains five letters designed for mailing to bank employees, urging them to register and vote and to spread the word among their friends and neighbors—"Vote as you please—but vote!"

Thrift Education

Two series of thrift education material, one series for kindergarten through fourth grade and the other for grades from fifth through ninth, have been released by the SAVINGS BANKS ASSOCIATIONS OF THE STATE OF NEW YORK for use in elementary and junior high schools. It is being distributed through the association's statewide promotional campaign and will be given a pilot run in New York City before being made available to bankers in other areas of the state for introduction locally.

Ten days after the material was offered, 350 New York City school principals had ordered 8,000 sets of the "resource units."

The series consist of related lesson units on thrift, money management, and savings banking, one unit for every month of the October-June school year, which suggest possible approaches and activities in the inculcation of proper thrift attitudes and habits.

Prepared by teachers experienced in curriculum work, this material has been developed during the past year with the encouragement and cooperation of the bureau of curriculum research of the Board of Education of the City of New York. It is intended to aid school teachers in the pursuance of thrift objectives. It provides teachers with suggestions to help establish in the minds of school children (1) an appreciation of the need for saving and planned spending, and (2) an awareness of the vital role played by thrift and savings banks in their daily lives.

The series for the lower grades leans heavily on animal thrift behavior patterns for illustration purposes. The wise old owl in cap and gown appears on the cover of each unit.

In a fact sheet sent out to banks by John Adikes, chairman of the association's committee on public

(CONTINUED ON PAGE 106)

"BIG" enough — with adequate facilities, bank wire connections, etc., to assure fast, efficient clearance of transit items.

"SMALL" enough — to offer the advantages of smallness: *personal, friendly* contact with the correspondents it serves.



AMERICAN NATIONAL BANK

at Indianapolis

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

20 of America's 25 Largest Businesses are Shawmut Customers*

**YOU CAN BANK ON THE BANK
BUSINESS CHOOSES**

The National Shawmut Bank

40 WATER STREET, BOSTON

Member Federal Deposit Insurance Corporation

Capital and Surplus \$30,000,000

*Based on Sales Reported by Moody's Manual.



This illustration is from the December resources unit for 5th-to-9th grade use in *The Savings Banks Association of the State of New York thrift education material*. It is typical of the "suggested activities" in the two series



DIRECTORS

EDWIN J. BEINECKE
Chairman, The Sperry & Hutchinson Co.

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*Chairman, New York and Cuba
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Honorary Chairman

MANUFACTURERS TRUST COMPANY

Condensed Statement of Condition September 30, 1952

RESOURCES

Cash and Due from Banks	\$ 742,139,252.32
U. S. Government Securities	336,373,260.14
U. S. Government Insured F. H. A.	
Mortgages	79,152,779.43
State, Municipal and Public Securities	101,812,908.45
Stock of Federal Reserve Bank	4,511,700.00
Other Securities	30,748,891.17
Loans, Bills Purchased and Bankers'	
Acceptances	340,491,896.12
Mortgages	11,771,263.35
Banking Houses	13,580,214.42
Customers' Liability for Acceptances	15,392,769.83
Accrued Interest and Other Resources	6,629,770.08
	<u>\$2,682,604,705.31</u>

LIABILITIES

Capital	\$ 50,390,000.00
Surplus	100,000,000.00
Undivided Profits	18,469,202.57
	<u>\$ 168,859,202.57</u>
Reserves for Taxes,	
Unearned Discount, Interest, etc. .	19,656,262.66
Dividend Payable October 15, 1952	1,637,675.00
Outstanding Acceptances	16,223,127.40
Liability as Endorser on Acceptances	
and Foreign Bills	8,240,736.88
Other Liabilities	2,333,021.56
Deposits	2,465,654,679.24
	<u>\$2,682,604,705.31</u>

United States Government and other Securities carried at \$154,742,665.30 are pledged to secure public funds and trust deposits and for other purposes as required or permitted by law.

Head Office: 55 Broad Street, New York City

MORE THAN 100 OFFICES IN GREATER NEW YORK

Member Federal Deposit Insurance Corporation

DEFENSE IS YOUR JOB TOO—BUY U. S. DEFENSE BONDS

(CONTINUED FROM PAGE 104)

information, and president of the Jamaica Savings Bank, it is suggested that someone in the bank be designated to familiarize himself with the material, "including the monthly sequence of lesson topics, in order (a) to meet school requests for assistance, or (b) to volunteer cooperation and liaison facilities, make suggestions, etc."

This thrift educational material is available to interested individuals and organizations outside of New

York State. Inquiries have already been received from as far west as Kansas.

Supervisors

NEWTON P. BLACK, superintendent of banks of the State of Iowa, was elected president of the NATIONAL ASSOCIATION OF SUPERVISORS OF STATE BANKS, at the concluding session of the organization's annual convention in Baltimore.

Other officers elected were: First vice-president, Edward I. McKin-

ley, Jr., Arkansas, bank commissioner; second vice-president, Grant L. Robinson, Nevada superintendent of banks; third vice-president, Lynwood K. Elmore, Connecticut bank commissioner; treasurer, J. F. McLain, Nebraska director of banking; secretary, Edward H. Leete, deputy superintendent of banks of New York.

NACA Conferences

THREE regional cost conferences are scheduled for the next few months by the NATIONAL ASSOCIATION OF COST ACCOUNTANTS. The conferences will emphasize the problems confronting the industrial accountant in the current defense economy.

A total of over 1,500 members representing 54 NACA chapters are expected to attend the Kansas City Regional Conference, November 21-22; the Toledo Regional Cost Conference, March 27-28, and the Baltimore Regional Cost Conference, May 1-2.

Subjects to be discussed at the first conference at Kansas City will include the profit squeeze, the effect of taxes on business decisions, the accountant's job in profit planning, sharpening cost control through organization, and the control and reduction of non-manufacturing costs.

(CONTINUED ON PAGE 108)

One of the Pennsylvania Bankers Association posters. See page 102



WILL YOU BE READY WHEN CHECKING ACCOUNT CHARGES ARE DECONTROLLED?

Was your bank 'caught' with inadequate checking account charges when bank charges were frozen?

Do you plan to increase Regular checking account charges when permitted?

Would you like to get greater volume of no-minimum-balance accounts and be assured of adequate profit?

NOW IS THE TIME to make the plans you will put into effect after decontrol. We invite you to investigate ThriftiCheck, which has proved so successful in hundreds of communities.

Do you realize the internal and customer advantages of ThriftiCheck's on-the-premises imprinting system, the complete operating supplies, and the advertising aids furnished—all without investment by the bank?

Ask for case histories showing how banks have increased their income and volume of new business by converting an ordinary plan to ThriftiCheck—today's most popular no-minimum-balance checking account plan.

NOW IS THE TIME to prepare for decontrol of bank service charges.

*We commend for your reading,
the Survey on Special Checking
Accounts recently prepared by
Stuart Miller for the Financial
Public Relations Association.*

BANKERS DEVELOPMENT CORPORATION

Sponsors of "ThriftiCheck"

100 Park Avenue, New York 17, N. Y. LExington 2-2490

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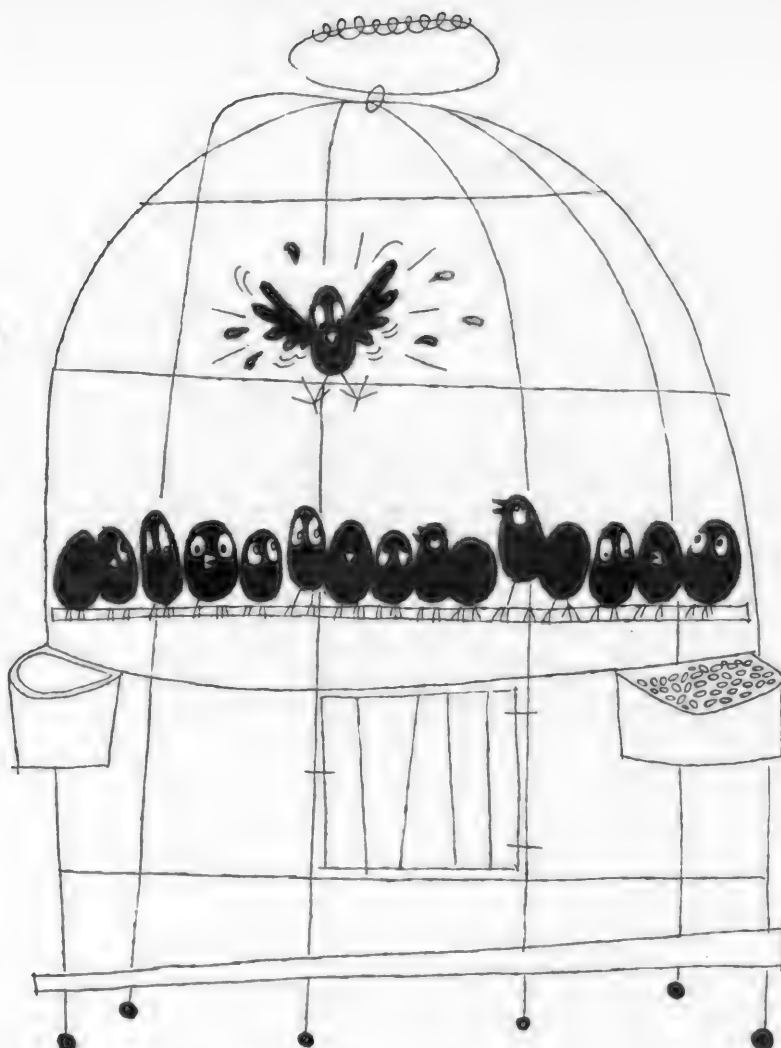
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**squeeze
play
in your
roost?**



Monroe Bank Bookkeeping Machine

Handles bank's most vital bookkeeping jobs—commercial and savings posting. Easy-to-operate "Velvet Touch" keyboard. Complete visibility. Direct subtraction and automatic totals in all registers. Front insertion carriage, exact printing alignment. Quick program changes.

It's no joke when gradual expansion catches up with limited office space. Can't move walls . . . but you can move in Monroes. Versatile, efficient Monroe Bookkeeping

Machines are the most compact you can buy . . . make every cubic foot work harder . . . produce more.

Your nearest Monroe representative is the bird that solves space problems. Call him today.

MONROE
MACHINES FOR BUSINESS

MONROE CALCULATING MACHINE COMPANY — GENERAL OFFICES, ORANGE, N. J.
Branches for Sales and Service Everywhere

(CONTINUED FROM PAGE 106)

NY Savings Banks

AMONG those on the program of the SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK, opening its annual meeting on November 5, are Harold Stonier, executive vice-president of the American Bankers Association; Henry Bruere, former president of The Bowery Savings Bank, New York City, and

Raymond Rodgers, professor of banking at the Graduate School of Business Administration of NYU.

One of the panel discussions will be on the subject, "Know Your Newspapers." Participants will include H. Eugene Dickhuth of the *New York Herald Tribune*, a regular contributor to *BANKING* (Investment Markets), George A. Mooney of the *New York Times*, and Edward B. Sturges, 2d, public relations counsel of the association.

Timely Program

THE Adams County (Pennsylvania) Bankers Association held a dinner meeting on October 15 at which Charles F. Zimmerman, former secretary of the Pennsylvania Bankers Association, discussed the bank holding company bill.

Recognizing the great interest in this subject, the Adams County bankers invited those from neighboring areas to attend.

Ad Display

ON display at the recent convention of the Iowa Bankers Association were the 27 bank advertising programs which won citations in *BANKING's* Forum in Print earlier this year. This is the second time the IBA has shown its members the winning entrants in *BANKING's* annual competition.

Tax Study

THE Fifth Annual INSTITUTE ON FEDERAL TAXATION, sponsored by the University of Southern California School of Law, was held October 22, 23, and 24. The past four Annual Institutes on Federal Taxation have brought together in Los Angeles over 2,000 attorneys, accountants, trust officers, life underwriters, and other executives engaged in work connected with Federal taxation. Participants have come from over 100 California cities and 14 western states. The Institutes have gained an excellent national reputation and have become an annual western program to bring to date important current changes and developments in Federal taxation.

How can you expect our youngsters to get an education in college if they can't find a place to park their cars.

You may not be any happier when you save money and pay your bills than you were when you couldn't pay the rent. But we imagine the landlord is.

Preliminary PENSION STUDY

A preliminary study by our pension and actuarial staff can provide the clients of your bank with complete, factual and unbiased advice on their retirement programs—whether trustee, insured, profit-sharing, self-administered or any combination of these. Banks and trust companies throughout the United States are recommending Marsh & McLennan for their impartial pension consulting service. Your inquiry is invited.

MARSH & McLENNAN

INCORPORATED

INSURANCE BROKERS • CONSULTING ACTUARIES

Chicago, 231 S. La Salle St. New York, 70 Pine St. San Francisco, Russ Bldg.
Minneapolis Detroit Boston Los Angeles Toronto Pittsburgh Seattle Vancouver
St. Louis Indianapolis Montreal St. Paul Duluth Portland Buffalo Atlanta
Washington Tulsa Phoenix Milwaukee Cleveland Havana London

Our banking friends...

will find this institution especially well equipped to handle their Chicago accounts promptly and efficiently. Our complete facilities are at your disposal.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LA SALLE STREET

(MEMBER FEDERAL DEPOSIT INSURANCE CORP.)





into your lap

is where we'd like to

toss this one

said the loaning officer of a major Mid-Western bank. "One of our customers has perfected a unit which is in great demand—it is well built and durable. Orders are piling up faster than he has funds to process them.

He needs money for inventory, payroll, and receivables. Our line is \$100,000.00, liberal for their worth, but not for their current needs."

Walter E. Heller & Company studied the problem.

No limit was placed on advances against good receivables. During the first two years, our investment on a fluctuating basis often exceeded \$600,000.00.

The company was always in position to take discounts on purchases and, by the end of the third year, had made such substantial headway that they closed their account with us. Now the account is out of our lap, and the bank that put it there has a satisfied customer who carries substantial balances and is adequately financed through the bank's normal operations.

Here's another example of Heller's constructive operations which benefited both the borrower and the bank.

Bank officers charged with responsibility for making loans are invited to learn the details of Heller Supplementary Financing. A booklet describing the nature of our services and the scope of our activities will be sent on request.

Suggestions for dealing with specific problems will be given in confidence and without obligation. Please address:

BANKING SERVICE OFFICER

WALTER E. HELLER & COMPANY

Established 1919

BANKERS BUILDING, 105 W. ADAMS STREET, CHICAGO 90

THE FINANCIAL SERVICES

rendered by Walter E. Heller & Company are not fully identified by simple tabulation because they are variously coordinated and applied to fit specific situations.

The following types of supplementary financing are flexibly administered according to experience gained from national operations which now represent a volume in excess of \$300,000,000 annually.

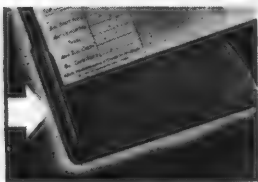
ACCOUNTS RECEIVABLE FINANCING
INDUSTRIAL FACTORING
INSTALLMENT FINANCING
REDISCOUNTING
MACHINERY AND EQUIPMENT LOANS
INVENTORY LOANS



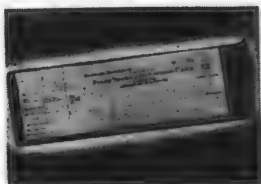
EXPENSIVE?



DURA-GRIP ACTUALLY COSTS LESS than the check book covers you now use



DURA-GRIP Check Book Covers have the same expensive appearance as beautiful richly-grained leather. Made of DURALEX, a material built like a cord tire from tough rubber and the finest cotton fibre, these Check Book Covers are made for long-lasting service. Your replacement cost is low and your first cost is low, too! And remember, you also save money by eliminating the tongue of the check filler. For the patented DURA-GRIP clip not only makes the tongue on the check filler unnecessary, it also makes it easier to insert new fillers.



DURA-GRIP Check Book Covers are made in exclusive one-piece construction, they lay flat; no seams, stitching or padding to make "lumps" under the filler; will not bulk in pocket or handbag.

Your depositors will like DURA-GRIP and you'll save money by using these better Check Book Covers. Write or wire for samples today.

DISTRIBUTED BY:

BUSHONG COMPANY, Portland, Oregon
CLARKE & COURTS, Houston, Beaumont, Dallas, Galveston and Harlingen, Texas; Lafayette, La.
THE COLUMBUS BANK NOTE COMPANY, Columbus, Ohio
H. S. CROCKER CO. INC., Los Angeles and San Francisco, Calif.
CURTIS 1000 INC., St. Paul, Minn.
DENNISON & SONS, Long Island City, N. Y.; Philadelphia, Pa.; Boston, Mass.; Miami, Florida
THE J. C. HALL COMPANY, Pawtucket, R. I.
JOHN H. HARLAND COMPANY, Atlanta, Georgia and Orlando, Florida
THE IRWIN HODSON CO., Portland, Oregon
HONOLULU STAR-BULLETIN, Honolulu, Hawaii
NORTH PACIFIC BANK NOTE CO., Seattle and Tacoma, Wash.
OGDEN LITHOGRAPHING CO., Ogden, Utah
PROTECTU BANK NOTE, CORP., Chicago, Ill.
ROCKY MOUNTAIN BANK NOTE CO., Salt Lake City, Utah; Denver and Pueblo, Colo.; El Paso, Texas
SCHWABACHER-FREY CO., San Francisco, Calif.
SOUTHWESTERN STATIONERY & BANK SUPPLY, Oklahoma City, Lawton and Ponca City, Okla.; Amarillo, Texas
SPOKANE LITHOGRAPHING CO., Spokane, Washington
STAFFORD-LOWDON, Fort Worth, Texas
WESTERN LITHOGRAPH CO., Los Angeles, Calif.

COAST BOOK COVER COMPANY

810 East Third Street, Los Angeles 54, California

What to Pay Savings Depositors

(CONTINUED FROM PAGE 49)

in establishing the profit objective. For example:

"What is the competitive picture—is it rate, extra service, or both, and how can this competition best be met? What is the bank management's attitude toward new business? What potential in the form of new business is anticipated from savings depositors and how profitable will this companion business be to the bank? Does the profit potential of the savings department warrant extra effort and expenditure on a new business campaign and, if so, to what extent? Is there need for the retention of a certain portion of earnings to build up the bank's capital to a desired position?"

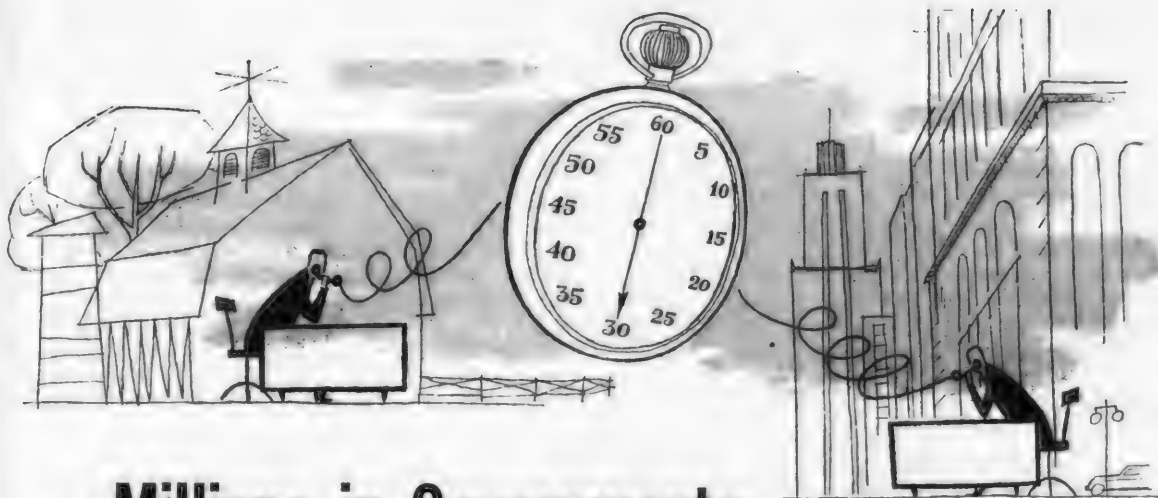
Under normal circumstances, the report continues, "authorities agree that net profit of at least 1/2 of 1 percent after providing reserves for possible losses, should be obtained from the operation of the savings department of a commercial bank." [The survey over-all average net profit figure is 1.11 percent.]

In conclusion, the report points out that the savings function "is an important part of community needs and when this service is offered there as many tangible benefits accruing to the bank. The promotion of thrift makes possible a more sound local and national economy which in turn means stronger banking institutions."

"Here's a bill that doesn't belong to us . . . it's marked 'paid'!"



BANKING



Millions in Governments traded in 30 seconds!

Split-second trading! That's the kind of service you get when you deal with the Bond Department of The First National Bank of Chicago—whether your trade is in thousands or millions!

Modern communications, streamlined methods, and more than 89 years of experience in handling bonds make it possible for us to offer you the services of a primary market in government securities.

We carry a substantial position in treasury bills, notes, and other short-term government issues in which banks and corporations are principally interested. Also, we maintain markets in the longer-term government issues and in state and municipal bonds.

The officers of our Bond Department are unusually well equipped—in both experience and facilities—to assist you and corporation executives with investment programs.

All of the services of the Bond Department are at your disposal. Contact us by telephone, teletype, or telegraph—at our expense. For direct connection, use these numbers: *Long Distance* 92, 93, 155, 313. *Teletype* CG 987.

Take advantage of all the services we offer to correspondent banks. In addition to our Bond Department, these include . . .

Complete Clearing and Collection Service • Rapid Router Service • Complete Foreign Banking Service • Loan Participation • Travelers Checks • Operational Procedure Surveys • Assistance in Handling New Types of Loans • Wire Transfers • Safekeeping Service • Bank Remodeling and Modernization • Public Relations & Advertising • Credit Information • Correspondent Conferences • Assistance in Special Events

BOND DEPARTMENT

AUSTIN JENNER	<i>Vice-President</i>
JAMES P. FEELEY	<i>Vice-President</i>
JOHN H. GRIER	<i>Vice-President</i>
HAROLD J. SCHLUTER	<i>Vice-President</i>
LEWIS MILLER	<i>Asst. Vice-President</i>
GEORGE B. WENDT	<i>Asst. Vice-President</i>
LEROY F. WINTERHALTER	<i>Assistant Cashier</i>
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JOSEPH A. SMOLE	<i>Assistant Cashier</i>
SAMUEL SACHNOFF	<i>Assistant Cashier</i>
PHILIP M. HISS	<i>Assistant Cashier</i>

EDWARD E. BROWN, *Chairman of the Board*

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HERBERT P. SNYDER, *Vice-President*



The First National Bank of Chicago

Dearborn, Monroe and Clark Streets

Building with Chicago since 1863

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Merchandising

(CONTINUED FROM PAGE 27)

and each ticket sells the bank and its financing service.

One alert bank, using these tickets, visited a home show where scores of dealers were exhibiting and offered the price tickets for use on the appliances shown. The result was that the bank without an exhibit was the most widely advertised exhibitor at the show. Its price tickets appeared everywhere.

A leading bank promotion man found himself in a city of modest size where the principal retail stores surrounded a city park. One of the banks, as is often the case, was located on one of the busiest traffic corners of the square. He entered the bank, sought out the president, and, without identifying himself, offered the president a check for \$1,000. His proposition was to lease the plate glass windows of the bank for a year. "What would you do with them?" was the natural question of the president. "I propose to go right around the square here and lease

them by the week to the various merchants, many of them your customers, for \$2,000. They know their value—to sell goods."

The president got the point, the bank promotion man introduced himself, helped the president to get a poster service which would dress his windows and sell bank services to the hundreds who walked past, gathering impressions with their eyes.

Window shopping is a favorite sport of women and many men. On one corner of a busy street stands a department store—windows filled with merchandise. Check the lease—rental which the store charges against the departments using those windows. The annual total runs into thousands of dollars—the assessed value of those windows for selling people, through their eyes. Across the street, perhaps on the better traffic corner, stands the bank—with no display windows or often, sad to relate, with good windows, some nice gold letters and some snappy venetian blinds or handsome drapes.

Windows A "Must"

One of the smartest merchandising banks in the country is reputed to have this firm policy. It will not consider a lease location for a branch office unless that location has good display windows. The biggest sales promotion which that bank does centers around its display windows. Posters, with night illumination as well as daytime display, carry service selling messages to millions of eyes in the course of a year.

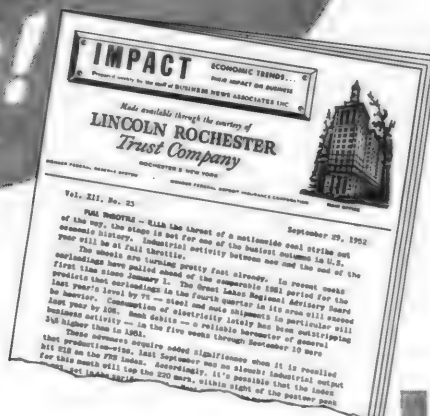
Let's go back inside the bank again. Most banks today have some supply of folders, leaflets or booklets designed to sell services. But how many banks merchandise these selling messages? How many banks use smart "take home literature" racks to display and offer these selling messages?

One bank, using these racks very effectively, finds them not only a medium for dispensing its selling messages, but a valuable means of researching public interest in various services. Each pocket in the rack has a small label, indicating the leaflet or booklet in that pocket. It has been found that people are definitely selective in their choice of literature. Empty pockets or low supply indicate the fastest moving

(CONTINUED ON PAGE 114)

**IF BUSINESS MEN
ARE YOUR BEST CUSTOMERS...**

*Your Bank Needs
IMPACT!*



THIS authoritative weekly economic digest is written from the business man's point of view. It presents clear and concise facts about economic trends, current conditions, the national business scene. **IMPACT** is carefully read and discussed by executives responsible for policy-making decisions.

Alert and progressive banks like Lincoln Rochester Trust Company send **IMPACT** every week to their business customers. Why don't you? It comes attractively imprinted with your bank's name, ready for addressing and mailing. Strengthen your bank's customer relations by sending **IMPACT** each week to the business leaders in your community.

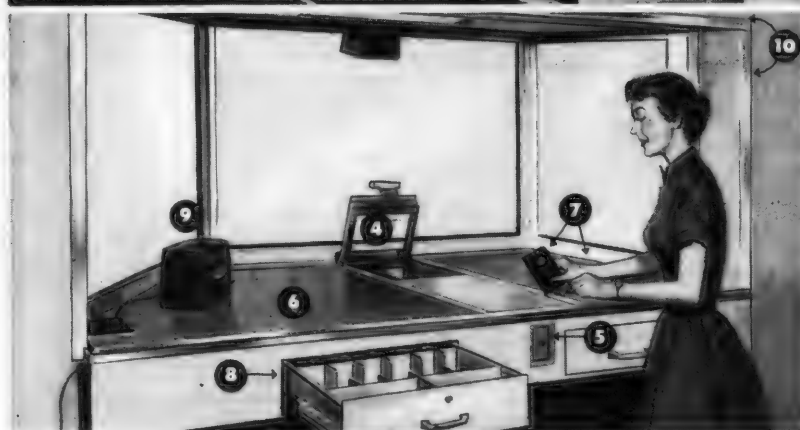
Impact is published by

BUSINESS NEWS ASSOCIATES, INC.

149 Broadway, New York 6, N. Y.

New practical concept of Drive-in Banking

gives faster service, attracts new accounts!



Here are just a few of the advantages you get with the new Mosler Electric Drive-in Window at no extra cost!

- ① New "easy-reach" convenience for customers.
- ② Full vision for teller and customer.
- ③ New fully automatic "Shuttle" for faster transactions.
- ④ Counterbalance "Shuttle" lid makes access to deposit receptacle effortless.
- ⑤ Push-button operates "Shuttle" which retracts automatically after 15 seconds. Operates manually in case of power failure.
- ⑥ New flush counter gives greater working space and provides practical working area under counter.
- ⑦ Ventilating ducts for warm or cool air make unit comfortable . . . prevent frosting.
- ⑧ Convenient right or left-hand cash drawers.
- ⑨ New trouble-free speaker which is movable to suit convenience of operator.
- ⑩ Easier and less expensive to install.



Mosler Flush Type Drive-in Window, No. 950. Gives you all the advantages of the new Bay Type Window, shown at left. Designed for installation where bay projection is not desired.

Electric push-button revolutionizes operation and at no extra cost.

You're looking at the newest, most advanced electrical drive-in window ever designed. Examine it closely. From the *outside* first—the way a *customer* sees this new Mosler unit. Notice the new bullet-proof window that enables full vision of all transactions . . . the outside speaker . . . and the new push-button-controlled "Shuttle" that slides out and in, completing transactions with new speed and safety—at driver's arm-level.

Then, take a look *inside*. Notice the simple control which works at the merest touch of your teller's finger . . . the wide, work-easy counter . . . movable speaker . . . and handy cash drawers. See how all this adds up to faster, more efficient service for *your* bank.

It's easy to understand, isn't it, how this new Mosler unit can give you all the proved advantages of drive-in banking—and a lot

more? For such *convenience* builds even more good will, attracts more new accounts. And such *transaction speed* gives you even greater relief from congestion inside the bank . . . even more help in solving traffic and parking problems.

Why wait any longer for that drive-in window *you've* been considering? The new Mosler unit can be installed with *less* expense and *more* speed than ever before. Get full details! Mail the coupon, today!

IF IT'S MOSLER . . . IT'S SAFE

The **Mosler Safe Company** Since 1848

World's largest builders of safes and bank vaults . . . Mosler built the U.S. Gold Storage Vaults at Fort Knox and the famous bank vaults that withstood the Atomic Bomb at Hiroshima

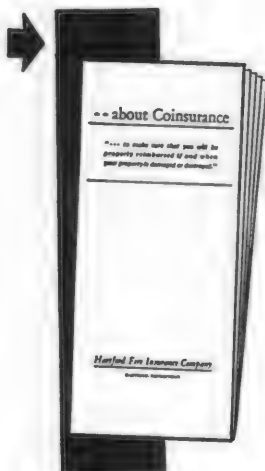
THE MOSLER SAFE Company
Dept. B-11, Hamilton, Ohio

Please send me complete information about the new Mosler Electric Drive-in Window.

NAME
POSITION
NAME OF BANK
ADDRESS
CITY ZONE STATE

...to help you explain the Coinsurance clause

SEND FOR
YOUR
FREE COPY



In your position in the field of banking and finance, have you ever had difficulty in explaining the workings of the Coinsurance clause of a Fire Insurance policy to your customers?

Then, here's a booklet "about Coinsurance" that may help you.

Written in non-technical language, it explains the operation of this clause, shows why it is used, and how it may enable the insured to obtain a lower rate.

It shows, for example, how the insured can suffer even in case of a *minor* loss, if his policy does not meet Coinsurance requirements.

And it shows, by simple arithmetic examples, how he can protect himself against such loss.

You'll find it a helpful booklet in reviewing your personal insurance position . . . and in giving information and advice to your customers. Use the coupon below for your copy . . . or several copies . . . they're yours for the asking.

Year in and year out you'll do well with the

Hartford



Hartford Fire Insurance Company • Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company • Hartford 15, Connecticut

Hartford Fire Insurance Company,
Hartford 15, Connecticut.

Please send me copies of
your helpful booklet "... about
Coinsurance."

Name.....

Company.....

Address.....

City.....State.....

(CONTINUED FROM PAGE 112)

pieces, the services in which people are most interested, as indicated by what they carry away.

How about your teller windows, for the many banks which still use windows? A customer standing in line at a teller's window is like a person on a street car or bus. He is there for the length of the trip, is lost for something to do and will read anything in sight. What better spot for a selling message than a neat card, properly framed, alongside the teller's window. If you have a series of windows, place the same message beside each window. Most people are right-handed. They read the right-hand message, then turn and read the left-hand one.

Modern banking means multiple services—25, at least, is a reasonable number. Is each of these so clearly identified in the mind of your customer that whenever the need arises he thinks instinctively of the bank? Rotating poster messages, changed every week, timed perhaps to season, serve as constant reminders. Remember, you are working in your most favorable market, with people whose goodwill you possess—your own customers. You are selling them, through the very sense which affects your own buying—their eyes. That's why point of purchase merchandising is one of your most effective, least expensive methods of selling service today.

"One bank, using these racks very effectively, finds them not only a medium for dispensing its selling messages, but a valuable means of researching public interest in various services."



More home for your money

IN THE \$7,000 TO \$12,000 PRICE RANGE

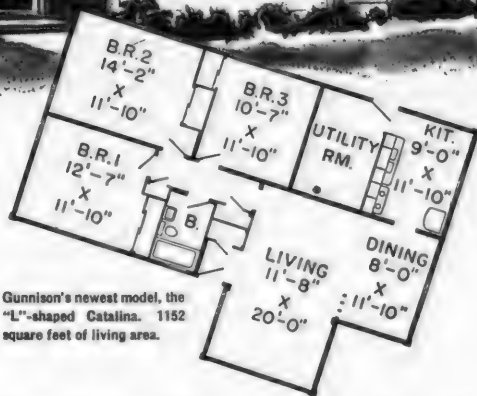


THE GUNNISON HOME is a *known* product, free of doubt and guesswork. That's important to you as an investor. It means you can be *sure* of your investment . . . sure of high-quality materials and sound construction . . . and sure of a satisfied mortgagor.

Much like today's fine automobile, the Gunnison Home is a product of modern factory engineering. It's tested and proved before it's put on the market, and not after the owner has moved in. It's completely engineered before it reaches the building site, and not put together on a piecemeal basis by old-fashioned methods that waste time and allow so much room for error.

This thorough planning, testing and *advance* engineering means every Gunnison Home is right. It's a *known* product . . . and a better product at a lower price.

And the Gunnison Home enhances any neighbor-



hood. It's a good-looking, completely modern ranch house. It's practical and easy to maintain . . . the kind of home to which more and more people are turning for comfortable, economical living.

The Gunnison Homes Dealer in your area is listed in the Yellow Section of your phone book. You may wish to contact him in regard to the many mortgage opportunities that are available through him.

GUNNISON HOMES, INC., New Albany, Indiana



"Gunnison" and "Catalina"—trade-marks of Gunnison Homes, Inc.

Gunnison Homes

"A lot of home—for a little money."

SUBSIDIARY OF UNITED STATES STEEL CORPORATION

REPORT FROM THE F.B.I.... BANK AND S & L ASSOCIATION EMBEZZLEMENTS UP 188% SINCE 1946!

During the five-year period 1946-1951, the FBI reports a total of 2,765 bank defalcations in insured banks! Embezzlements rose to more than \$7,000,000 in *each* of the past two years. Incomplete figures for the early months of 1952 reveal shortages of over \$2,000,000—with a surprising number of them running into six figures. What's more, large losses are *not* confined to large institutions.

WHAT YOUR BANK CAN DO NOW!

Make sure that the amount of your blanket bond is in line with your bank's size and operations, as strongly recommended by the F.D.I.C. Make sure, too, that you have a well-planned and closely supervised audit and control program.

Our agent in your community will gladly arrange to have one of our bank protection specialists help you re-survey your particular exposures. Why not call him* now? Be sure your bank is safeguarded against today's rising embezzlements!

* If you don't know his name, just write our Agency & Production Department. We'll furnish it promptly.

AMERICAN SURETY COMPANY

100 Broadway, New York 5, N. Y.

FIDELITY • SURETY • CASUALTY • INLAND MARINE • ACCOUNTANTS LIABILITY
AVIATION INSURANCE THROUGH UNITED STATES AVIATION UNDERWRITERS, INC.



Psychology in the Bank Lobby

FRANK B. ALLEN, JR., *assistant treasurer and trust officer, The Maplewood (New Jersey) Bank and Trust Company.*

THERE is a psychological aspect to the interior decoration of the bank. If the decorating is to be done intelligently, the psychological effect upon the customer and the employee must be considered.

Specific colors produce certain sensations, and through subtle psychological effects color can create in the lobby a warm or cool, bright or subdued, stimulating or restful, atmosphere. People feel cold in a blue room, but not in a red room, and little do they realize that the color is creating this sensation.

Mental Effect of Color

Colors also affect a person mentally. The cool colors, including the blues, calm the highly nervous person and depress those who are morose or melancholy. On the other hand, red and yellow are stimulating to some degree and create a feeling of vitality. Green expresses coolness and informality. It is restful to the eyes and never depressing. Of all the colors, it produces the most favorable reactions. The psychological reaction to yellow is not as positive as either red or blue, and the slightest change will make it either cold or warm, soothing or irritating. Therefore this particular color must be handled carefully.

The psychological effect that a color causes depends to a large extent on its shade. Basic colors—pure red, blue, etc.—cause pronounced reactions. Therefore, by modifying the basic color, mixing it with others, a cool or warm shade can be obtained. Thus some control over the psychological effect of the color is achieved.

Use of color in the lobby must create an atmosphere of friendly confidence. A warm, homey feeling should prevail, and color and other interior decorating techniques must be used correctly to create this feeling.

(CONTINUED ON PAGE 118)

YOU

Are Cordially Invited to Enter

BANKING'S

Annual Forum in Print

This is something different—more of an exhibition than a competition. Whether your bank is large or small, you are invited to have your bank's advertising judged for the "Best Bank Advertising in 1952" Citation Awards in "BANKING'S Annual Forum in Print."

It is easy to try for these Citations; it will cost you nothing. Select from your files examples of your best advertising efforts from January 1 to December 31, 1952. Every form of advertising is eligible—newspaper and magazine advertisements . . . direct mail . . . car cards . . . bulletins . . . circulars . . . stuffers . . . blotters . . . gadgets . . . photographs of window displays and billboards . . . descriptions (with illustrations) of radio or television programs . . . any other advertising material you may have used.

You may submit as many as five examples (pieces) of your advertising. So that each may be judged as to its merit and purpose, with full consideration for the size of your bank, please indicate clearly on each of your entries into which of the following categories, or some special category of your own, your entry falls:

savings and thrift
checking accounts (including bank by mail)
trust
mortgage loans
personal loans—auto, consumer, etc.
agricultural loans
modernization (business, home and farm)
correspondent banking

industrial and small business loans
youth activities (4H—school savings)
safe deposit
anniversaries
annual reports
new buildings—drive-ins
public relations—community activities
special category of your own

Mount these examples of your "Best Advertising for 1952" on panels 18" x 24" or assemble them in a simple, inexpensive scrapbook. Include with your entry a statement of 100 words, or less, giving the *objective* and *results* of your advertising program.

Your entries will be judged by acknowledged advertising experts. Plans are being made to display selected entries at the Graduate School of Banking at Rutgers University and the 79th Annual Convention of the American Bankers Association in Washington, D. C. Award winners will be announced in the May 1953 issue of BANKING.

Mail your entries to William R. Kuhns, Editor of BANKING, postmarked no later than March 1, 1953.

BANKING

Journal of the American Bankers Association

12 East 36th Street

New York 16, New York



A CONVENIENT FOREIGN SERVICE FOR MIDWESTERN BANKS

THIS YEAR, as in the past, Americans will send millions of dollars abroad as Christmas gifts to relatives and friends. We maintain an easy-to-operate foreign remittance service for banks which do not maintain overseas connections. Our service is complete. We furnish the necessary forms and suggest solicitation methods.

Our Foreign Department will be pleased to furnish you with information regarding our facilities for letters of credit, commercial payments, foreign collections, and the drawing of checks, on all important cities throughout the world.

We will be glad to send you, without obligation complete details of our foreign services.

**American National Bank
and Trust Company of Chicago**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

LA SALLE AT WASHINGTON, CHICAGO 90, ILLINOIS



"MY BANK"
TO A MILLION CANADIANS

B of M

CANADA'S FIRST BANK
Coast-to-Coast

BANK OF MONTREAL

New York -- 64 Wall Street Chicago -- 27 S. La Salle Street San Francisco -- 333 California Street

570 Branches Across Canada • Resources Exceed \$2 Billion

(CONTINUED FROM PAGE 116)

Everything that is part of the lobby, from the floor to the ceiling, must be appropriate and take into consideration what the lobby is being used for. Draperies add warmth and friendliness. Murals and art exhibitions contribute to interest and attractiveness.

In attempting to give the bank lobby a homey atmosphere, one should not go to extremes. The overall appearance is of primary importance. It should be orderly, because this inspires orderliness in both the employee and the customer. There should be an unrestricted view of the entire lobby; it should not appear overcrowded.

The interior of the bank should give the customers' comfort top consideration. If possible, there should be comfortable chairs for them to relax in while they wait to see an officer. This will help to ease any tensions that they have built within themselves, and the interviews can be conducted more successfully.

The use of heat-absorbing glass and air-conditioning are other improvements which have their effect.



Central National Bank of Cleveland presented a nonpartisan program entitled "The Power of Your Vote" to its employees and to outside organizations that requested it. The bank's training director, E. M. Kohtz, coached two employees who volunteered to give the presentation—Barbara Daniels and Angela Walker. In the photo Miss Daniels is speaking to an employee group, while Assistant Vice-president Scott (left) and Mr. Kohtz stand near the lectern. The program was developed by the National Education Program of Harding College, Searcy, Arkansas

How
to get More
NEW
DEPOSITORS

Use "Screen Broadcast" SPOT MOVIE ADS in Local Theatres



YOUR BANK
NAME
YOUR ADDRESS

The Screen Broadcast Companies
Motion Picture
Advertising Service Co., Inc.
 1032 Carondelet St., New Orleans, La.
United Film Service, Inc.
 2449 Charlotte St., Kansas City, Mo.
 Members of Movie Advertising Bureau

SIGHT, SOUND and ACTION — the most powerful forces in advertising—go to work for you when you use SPOT MOVIE ADS in your local theatres. These talking pictures sell what you sell. They show live-action scenes, like the one at left, dramatizing the importance of regular saving—the advantages of a personal checking account—the friendliness and convenience of your banking services.

YOUR NAME ON THE SCREEN . . . The last 1/3 of each film displays your Bank's name, address and special selling message on the giant screen. It's a hard-hitting way of keeping your name before the public.

REACH YOUR BEST PROSPECTS — AT ROCK-BOTTOM COST. SPOT MOVIE ADS are shown in local theatres that you select. They reach people in your trading area—your very best prospects. On the average, 3 people will get the powerful impact of your sales message for every penny you spend.

BRING LOCAL THEATRE CROWDS INTO YOUR BANK

MAIL COUPON TODAY and—



United Film Service, Inc.
 Dept. 8-7
 2449 Charlotte St., Kansas City 8, Mo.

Please send me more information on Spot Movie Ads.

Firm

Address

City..... Zone..... State.....

By



He rings a bell for banks

The miniature bell on his mantle symbolizes a point of view shared by millions of Fulton Lewis, Jr. listeners. That's one reason why his nightly analyses of the news from Washington establish a rapport with his audience which builds good will for sponsors.

As Mr. Joseph P. Wortz, vice-president of the Security Trust Company, wrote to Station WAMS, both of Wilmington, Delaware:

"We have received letters of commendation regarding our sponsoring of the Fulton Lewis, Jr. program and we feel that we have written considerable new business as a result of this particular program."

The Fulton Lewis, Jr. program, currently sponsored on 364 Mutual stations by 752 advertisers (including 33 banks), offers local organizations a ready-made audience at local time cost. There may be an opening in your city. Check your Mutual outlet—or the Cooperative Program Department, **Mutual Broadcasting System**, 1440 Broadway, NYC 18 (or Tribune Tower, Chicago 11).

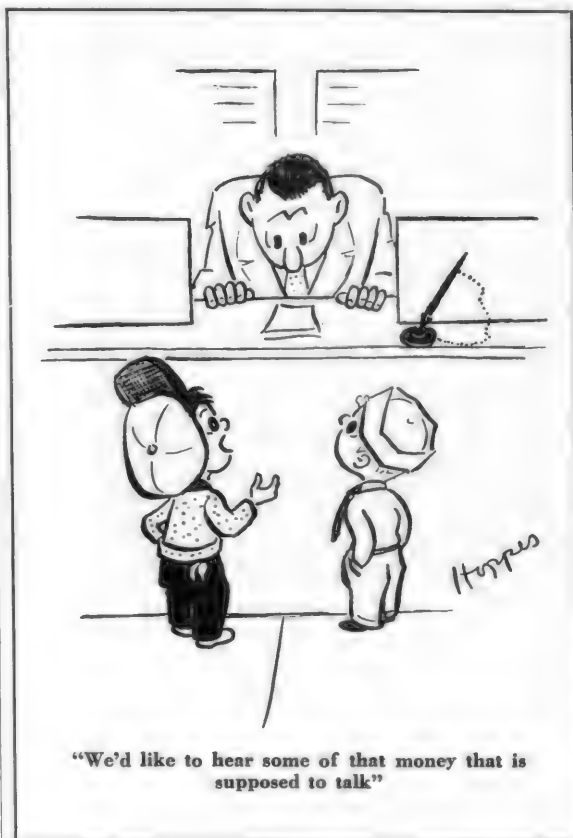
Government Bonds

(CONTINUED FROM PAGE 51)

tions and when the market opened on Tuesday morning, the 30th, there was some dealer concern as to just what quotations should be.

Shortly thereafter some buying orders made their appearance. Who were they for? The source was traced to the trading desk of the Federal Reserve and the rumor spread that the orders were for Treasury investment accounts. The effect was immediate. Quotations were marked up rapidly. The bonds got up from the floor and have stayed there to the day when this is written.

How many bonds were purchased is not known. Probably a relatively small amount; but what was done was important as a reminder that the Treasury still has the ability to both buy and sell marketable securities in order to stabilize the market. A hint may have been given that prices had gone down far enough. Certainly the extreme thinness of market, so far as actual buying and selling orders are concerned, got a complete demonstration. It was affected by the indication that the Treasury had some buying orders and no bonds were available except at higher prices. The orders may have been purely routine. How much will show up in due course? But however large or small, and probably the latter, the market needed a reminder that the Treasury could still be a factor even if the open market committee took no action. (END)



75,000 at Women's Forums

WOMEN's finance forums are becoming an accepted and successful medium for banking service and public relations, says Carl A. Bimson, executive vice-president of the Valley National Bank, Phoenix, Arizona, in a report to the Extension Committee of the Financial Public Relations Association.

A questionnaire sent this year to some 2,500 banks indicates, he reports, an attendance of over 75,000 persons at one or more forums. Registrations exceeded that number.

This is the second Bimson-FPRA survey on the subject of forums, and comparative statistics for 1951 and 1952 are presented in the current study. It concludes with several general conclusions and recommendations.

The important expense factor, Mr. Bimson says, isn't always analyzed too carefully "in the laudable desire to present an outstanding panel." Remember, he counsels, that the audience is almost completely unfamiliar with the subjects and doesn't need "leading experts or outstanding speakers." The bank's own officers, correspondents, or local or professional men "will provide more than adequate speakers, without fee and at little or no expense."

It's also important that panel members be "easily accessible for consultation next week or six months or a year after the forum." A bank should only expect to make the listeners "aware of the financial situations and problems they are facing and to arouse their interest to learn more and investigate their own problems further."

"In our opinion," continues the report, "it is defeating your own purpose to bring in all outside speakers on wills, trusts, or estate planning. To be brutal, this session is the payoff as far as tangible business is concerned, and the best way to bring business into your trust department is to have your estate planning officers present the discussion and answer the questions. An outside speaker may stimulate an interest in 'doing something about our will or estate planning,' may create the desire to discuss estate plans with the speaker, but no matter how effective, does not tend to bring the forum audience into your trust department."

On the other hand, the bank's own trust officers, as forum speakers, can establish themselves as "the ultimate authority on the subject so as to encourage and invite personal consultation." Mr. Bimson asks: "How can you expect to bring business into your trust department if you consider your trust officers incompetent to discuss the subject in public?" However, imported speakers "would probably be flattering and good public relations" at an advanced forum or one directed to lawyers or insurance men.

If a bank has no trust business and offers the forum as a community service, "it is still advisable to use local speakers or speakers from nearby communities so that the speakers themselves are indebted to the bank for the opportunity of appearing on the program." In general, "a speaker important enough and so outstanding as to command a fee is going to be over the heads of the audience at your first forum."

Mr. Bimson suggests that it's wisest for the bank to control the invitation list and build its own audience rather than to depend on an organization.

A Trust Officer writes:

**"We are quite pleased
with the fact that
when we offered our booklet
to a list of 500 prospects,
165 requested it."**

PURSE trust advertising is effective because it is based on more than 40 years' experience . . . and because it is written by someone who knows how to interest, inform and convince people through letters, folders, booklets and ads.



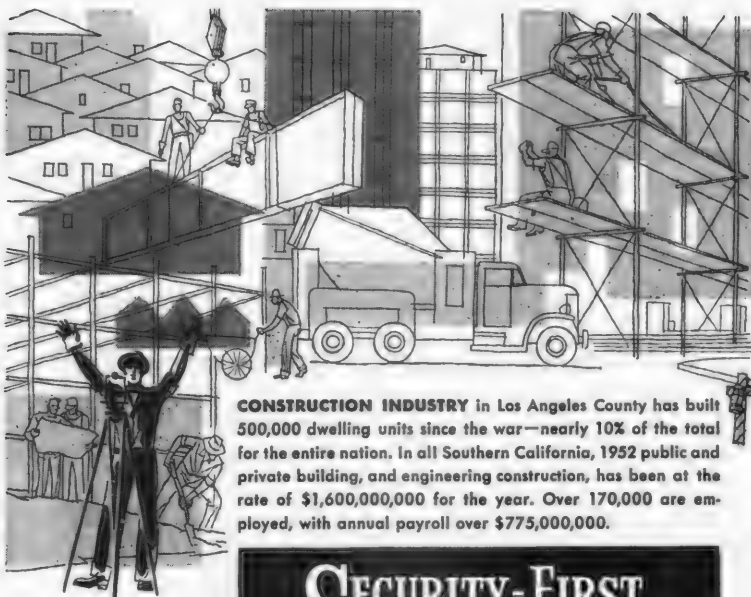
Without obligation, write for information about Purse service. We can show you why your investment in it should prove very profitable for your bank.



THE PURSE COMPANY

Headquarters for Trust Advertising

**CHATTANOOGA 2, TENNESSEE
CHICAGO ★ NEW YORK**



CONSTRUCTION INDUSTRY in Los Angeles County has built 500,000 dwelling units since the war—nearly 10% of the total for the entire nation. In all Southern California, 1952 public and private building, and engineering construction, has been at the rate of \$1,600,000,000 for the year. Over 170,000 are employed, with annual payroll over \$775,000,000.

SECURITY-FIRST NATIONAL BANK OF LOS ANGELES

Statement of Condition

September 30, 1952

RESOURCES

Cash and Due from Banks	\$ 375,123,227.27	
U. S. Government		
Securities	\$935,641,349.50	
State and Municipal		
Securities	59,237,875.19	
Other Bonds and		
Securities	15,854,460.69	1,010,733,685.38
Loans (less reserves)		522,509,757.99
Earned Interest Receivable		5,141,648.46
Customers' Liability under Acceptances		
and L/C		4,901,547.37
Bank Premises		4,196,723.56
Other Assets		343,406.11
TOTAL		\$1,922,949,996.14

LIABILITIES

Capital	\$ 30,000,000.00	
Surplus	40,000,000.00	
Undivided Profits	43,653,162.85	\$ 113,653,162.85
Reserves for Interest, Taxes, etc.		17,182,629.56
Interest Collected—Unearned		4,447,894.24
Acceptances and Letters of Credit		
Liability		4,920,172.04
Other Liabilities		237,064.87
Deposits—Time \$	611,755,770.89	
—Demand ..	1,170,753,301.69	1,782,509,072.58
TOTAL		\$1,922,949,996.14

Securities carried at \$180,349,529.14 are pledged to secure trust funds and U. S. Government, State and other Public Monies, and for other purposes as required or permitted by law.

BOARD OF DIRECTORS

George M. Wallace, *Chairman*
James E. Shelton, *President*
Chester A. Rude, *Chairman Executive Committee*

Elmo H. Conley	Robert E. Gross	Fred B. Orman
L. W. Craig	Ralph B. Lloyd	John J. Pike
Shannon Crandall	Maynard McFie	Elbridge H. Stuart
Thomas A. J. Dockweiler	William B. Munro	Edward R. Valentine
Gabriel C. Duque	Gurney E. Newlin	C. T. Wienke
James B. Gist	John O'Melveny	Dr. John C. Wilson

139 Offices and Branches serving
Central and Southern California

MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Washington

(CONTINUED FROM PAGE 45)

It is regarded as likely, however, that the staff of the FDIC, with its reputation for the highest standards of bank examination and economic analysis, would be left undisturbed in any case.

RFC Tenure

Tenure of the two top men of the Reconstruction Finance Corporation, however, is limited to "the pleasure of the President." They are Harry A. McDonald, administrator, and Clarence A. Beutel, deputy administrator.

They may be expected to submit their resignations to the new President automatically, even if he is a member of the same party as Mr. Truman.

The Senate, prior to the inauguration of the new Administration on January 20, may be asked to confirm Mr. Beutel's 1952 appointment, because it was made after adjournment of the 82nd Congress, and the Senate was hence unable to confirm him this year.

Policy Continuity Not So Sure

While the personnel and purely supervisory policy of the Federal bank supervisory agencies seems likely to remain relatively stable regardless of the outcome of the national election, the same outlook for stability is not so sure for the basic monetary and credit policies of the Federal Government.

One of these basic policies is deficit financing.

At present the Government is committed to a defense build-up which would keep expenditures at a high level at least into fiscal 1954 and part of calendar 1955. A Federal deficit for at least two or three years, including the present 12-month period, would seem to be indicated if present objectives are allowed to stand.

Obviously the new Administration and Congress could, if sufficiently determined, take action to change this outlook.

Huge Unspent Backlog

On the basis of projected expenditures of \$79-billion for the current fiscal year as forecast in the revised budget estimate, total unspent authorization and appropria-

tions which the Government will have on hand July 1, 1953, at the opening of the next fiscal year, will total \$80.1-billion. Of this, \$68.6-billion is tagged for "all security" programs, or for the U. S. Defense Department, foreign military aid, foreign economic aid, atomic energy, defense housing, and all "security" activities.

That the Defense Department will ask for a few billions less in new appropriations and contract authorizations than Congress made available at this year's session is fairly well substantiated.

It also may be presumed, if the new Congress has as much of a conservative complexion as the old, that even these reduced requests may be curtailed still further.

Nevertheless, it would take the utmost concert of agreement between the new President and the new Congress to achieve such a cut in new allowances as to bring actual Federal spending in the fiscal year 1954 much below \$80-billion, in view of this backlog of appropriations.

Hence deficit financing for the present year, for fiscal 1954 and possibly longer is going to develop unless the two main branches of Government have the utmost determination.

FRB's Inflation Fight

One underlying policy works strongly against inflation. That is the flexible credit policy of the Federal Reserve Board, as reported in the October and previous issues of **BANKING**. It is currently being reflected in the form of keeping money tight.

A most dramatic manifestation of this policy was afforded by the fixing of a rate of $2\frac{1}{8}$ percent on



"But, Mr. Fletcher, I need a raise in order to pay the increased taxes on my last raise."



SAVE TAX RETURN TIME!

Get copies clean, exact, fast
by the new Copyflex system!

Now, with the revolutionary new Bruning Copyflex Tax Return System, you can get all the clean, error-proof, low-cost, exact copies you need *without any typing, carbons or proofreading.*

Learn about COPYFLEX now, before the tax rush begins. You'll save hours . . . even days . . . because your "worksheet" or typed original can be your return, with copies made in seconds.

Bruning's system specialists originated this unique time-saving system, working with leading tax authorities of bank and accounting groups. You save costly time, get *better copies faster* in preparing *corporation, fiduciary, individual, excess profits*, and many other tax returns. Leading firms already are using the COPYFLEX Tax Re-

turn System and are benefiting from its economies.

Why hire special, costly statistical typists for tax work when—with COPYFLEX—you need no copy typing? Save this expense . . . and speed production of completed returns and copies as well.

Investigate COPYFLEX now to simplify your work in the busy tax season just ahead. Mail the coupon. Charles Bruning Company, Inc., Dept. W112, Teterboro, New Jersey.



COPYFLEX "14" is handy desk-size, easy to operate, handles large volume of tax return copies fast.

CHARLES BRUNING CO., INC.

Dept. W112

Teterboro, N. J.

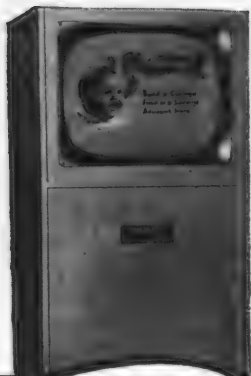
Please send me full details on how to speed tax work via the Bruning Copyflex Tax Return System.

Name.....Title.....

Company.....

Street.....

City.....Zone.....State.....



*Tell your Customers
about your Services
with...*

PICTUR VISION WORLD NEWS SERVICE

Just imagine this beautiful cabinet with a large screen, just like a television, in the lobby of your bank showing pictures of the latest news events of the world and at the same time selling your various banking services.

Projector operates continuously showing 16 different pictures, a new picture flashing into view every six seconds.

12 CURRENT NEWS SLIDES

4 BANK SERVICE KODACHROMES

Every week you receive 12 current news slides and your choice of 4 Kodachrome slides once a month from a selection of 64, selling the various services of your bank such as Auto Loans, Savings Accounts, Home Loans, etc. These are interspersed with the news slides.

Many banks throughout the United States have been using this service for more than two years and find it very satisfactory.

You too, can profit by selling your services with this unique Point-of-Sales visual selling program. Start today.

**NO MONEY DOWN
NOTHING TO BUY**

Complete Package
Unit with no extras

Only
\$600
PER WEEK

IMMEDIATE DELIVERIES
For further information, write

Picture Recording Company
OCONOMOWOC, WISCONSIN

Whole departments have to worry
Counting, wrapping in a hurry?

use

STANDARD

**Auto-Wrap
Bill Bands**

Send for
samples
and
prices



STANDARD PAPER GOODS MFG. CO.

WORCESTER 5, MASS.

A complete line of Money Wrappers

the Treasury 14-month notes to re-finance some \$10.8-billion of maturing October 1½ percent certificates. In effect, barring unforeseen changes in the monetary outlook, what has been established, observers say, is a 2½ percent rate on one-year Treasury certificates. Thus in some three months the rate has been moved up from 1⅞ percent to 2½ percent, and long-term bonds, at least at times, were selling between 95 and 96.

Many believe that continuous if not too sharp inflation has become, in fact if not by design, the principal tool for achieving the objectives of the Employment Act of 1946. This is the act which officials of the present Administration have for the most part followed, even if its legal force is open to question, to push for continuous expansion in physical production and incomes.

Continuous inflation has occurred during recent years along with an almost continuous state of easy money. Until the Treasury-Federal Reserve accord of March 4, 1951, it was scarcely possible to imagine the present eventuality of money being so tight that banks could not generously support certain governmental objectives with a fair abundance of loans. More positively, as some officials see it, tight money is forcing banks to select the most desirable from among their applications for credit, and thus to carry on in fact an anti-inflation program.

FR Policy —Long-Range View

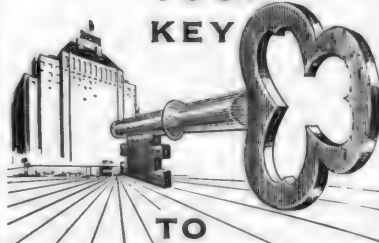
Thus the current tight money policy looks to well-placed observers like a serious roadblock in the path of the future fulfillment of any inflationary objectives.

Federal Reserve policy has, nevertheless, escaped a challenge thus far. This does not surprise officials. For one thing, it is only an implied future threat. So far employment has been full and business activity at virtually a peak.

For another thing, the leading officials of the present Administration have been far too occupied with the national election campaign to brood over future implications of FR policy.

Finally, one consequence of the hearings before the Patman Committee was to establish a sort of public opinion in favor of the independence of the Federal Reserve System from political domination. This was so well established that

**HERE'S
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KEY**



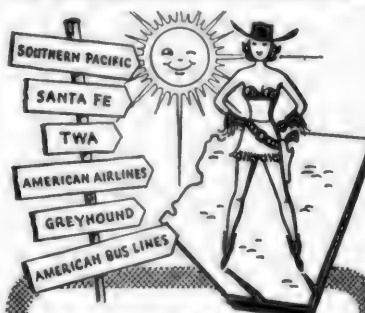
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the Republican Party platform supported this independence. A political campaign would seem to be a bad time to pick a fight with the Federal Reserve even if the Administration were disposed to. Evidence of such a disposition seems to be lacking entirely, however.

In the last few weeks the determination of the Federal Reserve to combat inflation has been underscored and confirmed. If the new Administration and Congress should be inclined also to combat monetary inflation, they will have an ally in the Federal Reserve. If, on the other hand, the new Administration is disposed to carry on the monetary and economic objectives of the present one, then it would probably find in the Federal Reserve an opponent of some determination.

Regulation W

In view of the broad possibilities for discouraging monetary inflation by the use of the flexible credit policy, it may be doubted that the Federal Reserve Board will be disposed to seek restoration of the power to regulate the terms of consumer instalment loans.

Such loans increased from \$13,-319,000,000 on April 30, just before the suspension of Regulation W, to \$14,907,000,000 on August 31. This rise was rather more than officials expected, it is believed. On the other hand, it occurred in general without an increase in total sales of merchandise.

Hence it is suspected that the increase very largely represented the re-entry of the marginal credit sale into the business. Since there is now no set of maximum repayment terms, new sales in the future will tend to be made on somewhat longer terms.

Should the use of instalment credit rise very sharply and continuously for months, the Federal Reserve might be sympathetic to restoration of Regulation W. Otherwise it is not expected that the Board would ask for this power.

If the incoming Administration is favorable to these and other specific controls, the Board probably would go along, but with little enthusiasm.

Loan Volume Held Down

Preliminary indications during some three months of the late-summer-to-fall activity indicated that

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the rise in commercial, industrial, and agricultural loans at reporting banks in leading cities was held to the seasonal pattern.

Officials had been anticipating that the seasonal pattern would be aggravated dollarwise by the higher cost of doing business arising out of higher wage and other costs which were touched off by the steel wage settlement.

Snyder on EPT

In an interview given at Atlantic City where he went to attend the convention of the American Bankers Association, Treasury Secretary

Snyder expressed doubt as to the wisdom of the excess profits tax. He was quoted as saying this tax is "the most difficult to administer that has ever been conceived. It's almost impossible to make it equitable. To find a proper base period for all types of industry is almost an insuperable task."

When Mr. Snyder appeared before the Senate Finance Committee in December 1950, he expressed the opinion that the then-passed House bill, including many Treasury recommendations, had resolved much of the criticism of an excess profits tax.

Thus it would appear that, with something over a year's experience with the revived EPT, the Secretary of the Treasury has found that law's attempt to tax excess profits equitably was a failure.

Mr. Snyder's view will undoubtedly influence many conservative members of Congress next year toward allowing this tax to expire under the terms of present law June 30. Commerce Secretary Charles Sawyer is also quoted as recommending that this tax be allowed to expire.

As a source of revenue, EPT is estimated reliably to bring in only \$3-billion annually.

Holding Company Question

Continued discussion of the possibility of regulating bank holding companies has elicited two reports and a speech from a man whose voice may be almost determining, the chairman of the Senate Banking and Currency Committee, Senator Burnet R. Maybank (D., S. C.).

One view was contained in a staff report of the monopoly Subcommittee of the House Judiciary Committee. This report emphasized the decline since the early part of the 20th Century in the number of banking offices, the increase in the size of the banks, and the development of branch banking and bank holding companies, and averred that there is a "high degree of concentration of financial resources."

At the conclusion of this report it was recommended that the subcommittee "lend its full auspices to the support and passage of bank holding company legislation." It was also recommended that a special committee of Congress be set up to overhaul, codify, and revise Federal laws relating to banking.

A third staff recommendation was that the trend toward bank mergers be halted. To this end a draft of a bill was proposed which in effect would require the approval of the appropriate Federal bank supervisory agency of any proposed bank merger, with a general mandate to supervisory officials to discourage as many mergers as possible.

This report is expected to have only a small bearing upon bank holding company legislation. The Judiciary Committee is without jurisdiction on this subject matter, which is assigned to the House (CONTINUED ON PAGE 128)

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Her Coins...*

*... and
Sees Them
Too...*



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The save-stimulating, self-liquidating HOME SAVINGS BANK that works for you twenty-four hours a day. Your name is stamped in gold on front of Visabank—your complete ad message on card at rear.

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COMPLETE BANKING AND TRUST SERVICE

STATEMENT OF CONDITION, SEPTEMBER 30, 1952

Giving effect to the merger with The Wayne State Bank, Wayne, Michigan, First National Bank in Plymouth, Michigan, and Plymouth United Savings Bank, Plymouth, Michigan.

RESOURCES

Cash on Hand and Due from Other Banks		\$ 384,360,023.30
United States Government Securities		706,843,088.93
Other Securities		176,869,014.09
Loans:		
Loans and Discounts	\$ 317,400,024.84	
Real Estate Mortgages	66,522,737.33	383,922,762.17
Accrued Income and Other Resources		5,827,329.87
Branch Buildings and Leasehold Improvements		3,761,900.00
Customers' Liability on Acceptances and Letters of Credit		4,247,071.56
		<u>\$1,665,831,189.92</u>

LIABILITIES

Deposits:		
Commercial, Bank and Savings	\$1,383,728,182.78	
United States Government	120,896,398.57	
Other Public Deposits	45,235,770.29	\$1,549,860,351.64
Bills Payable		25,000,000.00
Accrued Expenses and Other Liabilities		12,307,042.34
Dividend Payable November 1, 1952		783,000.00
Acceptances and Letters of Credit		4,247,071.56
Capital Funds:		
Common Stock (\$10.00 Par Value)	\$ 15,660,000.00	
Surplus	45,000,000.00	
Undivided Profits	12,973,724.38	73,633,724.38
		<u>\$1,665,831,189.92</u>

United States Government Securities carried at \$179,469,338.25 in the foregoing statement and \$75,000.00 principal amount of Other Securities are pledged to secure public deposits, including deposits of \$12,933,079.60 of the Treasurer-State of Michigan, and bills payable and for other purposes required by law.

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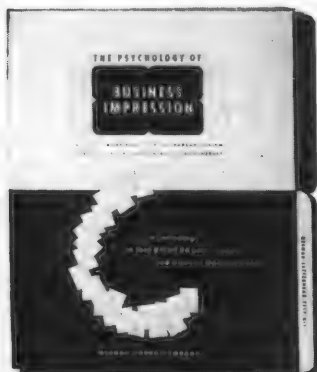


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Some companies print their advertising slogan on their letterheads as a tie-up. All companies should match the typographic style of letterheads and their advertising signature.

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- ☐ Neenah Pattern Kit, a guide to the four grades of Neenah Ledger, with punching, perforating, and ruling guides for use in designing special forms.

SIGNATURE

Many advertising executives participated in the nation-wide Neenah Letterhead Test. With thousands of other business and professional men, editors and publishers, they read *The Psychology of Business Impression* and studied the Test Kit of 24 basic letterhead treatments. Their preferences were registered on opinion cards. You can use this practical method of clarifying letterhead ideas in your own office. To get a free copy of the portfolio, check the coupon below, sign your name, and attach to your letterhead.

NEENAH PAPER COMPANY
Neenah, Wisconsin

26



(CONTINUED FROM PAGE 126)

Banking and Currency Committee. The latter is scheduled to take up this subject at the next session if more urgent business does not intrude, and especially if, as expected, the conferences among representatives of the A.B.A., independent bankers associations, and Federal Reserve authorities result in agreement on the form of a bank holding company regulation bill.

Reserve Board Staff Report

A somewhat different view of the problem of concentration of banking facilities was submitted to the Monopoly Subcommittee of the special Senate Small Business Committee. This report was prepared by the Federal Reserve Board's Division of Bank Operations at the request of the subcommittee.

"The great majority of American banks are relatively small, have grown as their communities have grown, and the many banks, despite their numbers, provide a smoothly functioning service," said this report.

"They perform a wide range of community financial services which relate to their primary function of making loans and investments and handling bank deposits in a money economy in which the greater part of the transactions are effected through the exchange of bank deposits."

"Minimum Legislation"

Finally, Senator Maybank, who can largely decide whether the

(CONTINUED ON PAGE 130)

Armed Forces Leave Bonds

ALL Armed Forces Leave Bonds have matured, although 388,367 bonds in the amount of \$77,360,000 remain outstanding. In all, paying agents have cashed a total of more than 9,000,000 of these bonds amounting to \$1,900,000,000 and have received \$1,255,000 in fees. Erroneous payments of Armed Forces Leave Bonds have been small, a total of only 733 bonds amounting to \$152,000 having been paid in error. Of this amount, paying agents have been held liable for only \$30,000 although they may be held liable for an additional \$13,000.

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KEEP TRAFFIC MOVING in your bank

Your bank can serve *more* customers and serve them *faster* with Todd Register Check Money Orders. You know what that means: Increased profits—shorter lobby lines—less work for tellers—more prospects for *all* your banking services.

Todd Register Checks can be issued in less than 15 seconds. There's nothing for the teller to write—no stubs to fill in, no application forms to handle, no officer's signature required. Pre-numbered, triplicate snap-apart forms give the complete control that bank auditors demand.

Get all the facts about Todd Register Check Money Orders. Find out how easy and profitable it is to handle this new type remittance check. We supply sales aids, advertising material, operations manual. Mail the coupon now.



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Please give us full information regarding the new
Register Check Money Orders.

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Address _____

City _____ Zone _____ State _____

By _____

B-11-52



"Something to use when applying for a
bank loan, please."

(CONTINUED FROM PAGE 128)

Senate will consider this subject, unless the Republicans should win control of the Senate, told the Independent Bankers' breakfast at Atlantic City, that he favors "minimum" legislation for regulation of bank holding companies.

Objectives of this legislation, he said, would be to prevent "unlimited expansion" of such companies so as to preserve the independent competitive banking system, and (2) to prevent the combining under the same management of both banking and nonbanking interests.

In this stand the chairman of the Banking Committee supports his subcommittee chairman in immediate charge of this legislation, Senator A. Willis Robertson (D., Va.). Senator Robertson opposes the broader type of legislation such as was proposed in the 1952 bill by Chairman Brent Spence (D., Ky.) of the House Banking and Currency Committee.

FNMA Purchase Program

Although the latest (July 1952) housing legislation made no direct provision for commitments to purchase nondefense eligible insured and guaranteed mortgages, the Federal National Mortgage Association has developed a "purchase receipt" plan to achieve this purpose.

Its basic objective is to encourage the distribution of seasoned nonde-

fense loans from the Government agency's portfolio.

Any bank or other buyer which purchases a nondefense mortgage from FNMA is given a "purchase receipt" for the face amount of the paper it acquires. The buying institution may within one year thereafter sell to FNMA eligible nondefense mortgages for the amount of the receipt.

It is said that the purpose of this plan is that, if a lending institution will help distribute the seasoned nondefense mortgages in the agency's portfolio, that institution will have a source of mortgage funds which it may later draw on.

Sales will be made only at par.

This arrangement does not include, besides defense housing mortgages, liens for disaster housing or Title VIII military housing. Congress specifically empowered FNMA to enter into advance commitments to a total of \$900,000,000 for the acquisition of the latter three types of loans.

College Housing

The Housing and Home Finance Agency, after a slow start, is now rapidly approving loans to finance dormitories for students at colleges and universities where there are "defense" needs asserted for such loans.

These loans may run to 40 years, but in practice are said to run from 25 to 40 years, and cost the borrowing institution only the same interest the Treasury pays. Administrative costs are absorbed by the

Government.

Already \$100,000,000 has been set aside for this enterprise. Congress provided a total of \$300,000,000, so that \$200,000,000 additional may be released for this purpose by the President on his own order, without further action by Congress.

FHA Loan Limits

In conjunction with lifting Regulation X's terms, Walter Greene, FHA commissioner, established by regulation a limit of \$14,000 on the amount of a loan FHA will insure

for any single dwelling.

By statute in 1935, when building costs were less than half those at present, Congress established maximum FHA insurance of \$16,000 per mortgage on an individual dwelling.

To get a loan of \$14,000, a home buyer would have to put up \$4,000 under present regulations. Hence an \$18,000 home is all that can be purchased under the new regulation by an individual under FHA unless his down-payment or trade-in provides him with a sufficient equity to buy a higher-priced house.



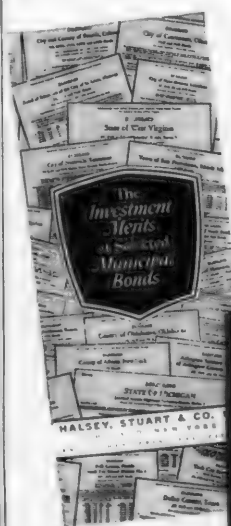
"Hereafter when you're discussing me with a customer, refer to me as 'Mr. Scroggins' and not 'Old Ft. Knox'!"

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Black surface bakelite name plates with white engraved lettering—any legend desired. Arranged for use on desks, counters, glass partitions and tellers' wickets.

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WRITE or SEE "CASEY" to BUY, SELL or EXCHANGE Collector's Coins in all metals, Scrap Gold, Curios, Stamps, Hobby Collections, etc. WILL CALL! "CASEY" COIN, CURIO & ANTIQUE CO-OP
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Turn to page 46 for
NEW IDEAS on
Operations • Promotion • Public Relations

News for Country Bankers

(CONTINUED FROM PAGE 65)

In doing this, they are leaders of the whole enterprise system.

"To meet the problems of the future is the job of cooperation. I think it is a dangerous thing to have the direct control coming from Washington that we have sometimes had."

All States 1,000-Pointers

FOR the second time in nearly 25 years since the establishment of the 1,000-point rating program to enable the American Bankers Association to measure the extent that banks and state bankers associations were helping to meet the credit needs of farmers, all 48 state bankers associations have received the A.B.A. Agricultural Commission's 1,000-point award.

In announcing the award at the second general session of the A.B.A.'s 78th annual convention in Atlantic City, Commission Chairman W. W. Campbell stated, in part:

"I am honored and pleased to confer this award on each of the state associations and to express the thanks of the American Bankers Association for their cooperation in this fine achievement."

4-H Goodwill Awards

IN its trade area adjacent to Smithton, Pennsylvania, The First National Bank of Smithton awards annually a "challenger's cup" to 4-H Club members. The point system governing the award includes consideration of contestants' ability in judging, fitting, showing livestock, and in other miscellaneous club activities. In addition to the cup, cash



Cashier Knox presents cup and cash award to Idalce Wells for her 4-H Club achievements this year

awards are given as follows: First prize, \$15; second prize, \$7.50; and third prize, \$5.

Cashier William C. Knox feels that this program is building enduring goodwill with these potential bank customers.

Bankers Turn Actors

THREE Gettysburg, Pennsylvania, bankers turned actors to take part in a motion picture being made for the Future Farmers of America.

"The First National Bank of Gettysburg was turned into a movie studio," says *The Pennsylvania Banker*, "after the bank closed at 3 o'clock. After lighting and other equipment had been installed, scenes for the picture were taken. Mike Wertz, Biglerville, portrayed the FFA student borrowing money from the bank. Playing the part of bankers were Edmund W. Thomas, First National president; Edgar L. Dear-dorff, vice-president; and Mrs. Helen Corbett."

The film's first showings were held in Kansas City and in Gettysburg last month.



President Edmund W. Thomas puffs on a cigar as he studies a form, while Unity Films technicians train their movie cameras on him during the filming of an FFA short

The cost of embezzlement

has gone up, too!

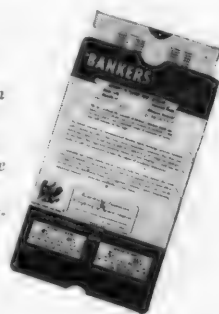
Embezzlers work on a far grander scale these days! Losses which would have been fantastic only a few years ago are commonplace today. All of which makes a point of vital importance to you. Is your bond sufficient to protect you against such losses?

To help you determine the amount of Bankers' Blanket Bond coverage you need, Indemnity Insurance Company of North America has published a new Bankers' Automatic Calculator which you may obtain through any one of its Agents.

As you manipulate the card in the slot, you instantly slide into view the recently revised suggested amount of coverage needed, as recommended by the American Bankers Association. This convenient device is free, of course.

Ask any Agent of Indemnity Insurance Company of North America for your copy.

An added feature of this calculator is a device by which you can compute automatically the monthly amortization charge on a large selection of loan amounts at four different interest rates.



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Take Titanium. Lighter than steel, stronger than aluminum, it's used in jet motors, combustion engines, chemical equipment. Canada has estimated reserves of more than 125 million tons of ore in one deposit alone.

Take Uranium Ore. Canada is the world's second largest producer . . . is now building what may prove to be the world's largest Uranium refinery.

● Take any of the many fields of opportunity to be found in Canada: horizons are broad; the future promising. American banks and business firms who wish to explore them fully are invited to channel their activities through The Royal Bank of Canada. A network of over 700 branches offers complete banking facilities . . . nation-wide, up-to-the-minute information on all business and industry.

Over 770 branches in Canada, the West Indies, Central and South America; New York, London, Paris.

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HEAD OFFICE: MONTREAL

THE ROYAL BANK OF CANADA

"A Big Bank Serving A Big Country"

TOTAL ASSETS EXCEED \$2,500,000,000



MAIN STREET

(CONTINUED FROM PAGE 22)

Bank of Manhattan Company, and HORACE C. FLANIGAN, president, Manufacturers Trust Company, were named members of the Clearing House Committee.

The First National Bank of Glen Head, New York, recently held a week-long celebration of its 25th anniversary. There were prizes, gifts, and displays, and lots of floral tributes.

The six window galleries of the East River Savings Bank's Rockefeller Plaza office were given over for the month of October to a display setting forth the services of the New York Public Library.

Recently elected directors of The Bank of Nova Scotia are RALPH P. BELL, O.B.E., who is president of National Sea Products Ltd., Halifax, and ALBERT S. FRASER, president of Eastern Trust Company, Halifax, and Investment Foundation, Montreal.

STANLEY W. COUSLEY, board chairman of Fidelity-Philadelphia Trust Company, has retired. He will, however, continue as a director; and on December 1 he is to become chairman of the board and executive vice-president of the Murphy Oil Company of Pennsylvania and its Oklahoma subsidiary.

HAROLD PHILIPS and FREDERICK G. RUDOLPH have been named trust officers at Manufacturers Trust Company, New York.

WILLIAM W. ALLEN, JR., retired vice-president of The Philadelphia National Bank, and a member of Philadelphia Chapter American Institute of Banking for 41 years, was given an engrossed certificate in

(CONTINUED ON PAGE 136)

Harold Philips



F. G. Rudolph



BANKING

EAGLE HITCH Farming



New Horizons

FOR HUM-DRUM TASKS

There's a new chapter in the old story that it's good business to finance the purchase of farm machinery. For one thing, the high price level of farm products . . . plus the scarcity and high cost of competent farm labor . . . now makes modern machines more than ever a necessity for the farmer, a sound basis for constructive loans.

But there's something else, something special, something exclusive—Eagle Hitch Farming. It's not a single step forward, but a whole list of advantages for nearly every job on the farm—in fact, a brilliant new way to do farm work. It's a new one-minute hook-up of tractor-mounted implements, a new constant-depth principle of plow control, new uniformity in contour tillage, new efficiency in saving crops with combine and forage harvester, new ease in farmstead hauling.

There is nothing narrow about Eagle Hitch Farming. It embraces more than a dozen different tractor models in three power groups. It includes dozens of Eagle Hitch implements for tillage, planting, cultivation. It extends into operations with drawbar implements and power take-off machines. Any Case dealer . . . and only a Case dealer . . . can show you Eagle Hitch equipment and its drastic departure from the limitations of old ways. All Case dealers and customers are consistently encouraged to place their financing with local institutions. J. I. Case Co., Racine, Wis.

CASE

SERVING FARMERS SINCE 1842

Contour tillage gets a boost with the Eagle Hitch Break-Away Contour Plow. Its pivotal action overcomes the tendency of plows to swerve in or out on curves, keeps them cutting correct width on winding contours. Break-away device "lets go" on striking stump or stone, avoids damage to beams or shares. Built for the 3-plow "DC" Tractor, as shown, and for the big 2-plow Model "SC."

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- Earning statements are substantially influenced by the accounting treatment of capital and expense items and by depreciation policies. Continuous American Appraisal Service provides the tool for better control of property and depreciation accounting.

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M. E. Mortenson



Richard L. Klie

(CONTINUED FROM PAGE 134)

appreciation of his many years of service. Presentation was made by EARL H. CUNERD, president of the Chapter. Mr. ALLEN has taught Institute classes on the Negotiable Instruments Act since 1912.

MERTH E. MORTENSON, former vice-president of Marquette National Bank of Minneapolis, has joined the staff of Union Bank & Trust Co., Los Angeles.

RICHARD L. KLIE, treasurer of Manhattan Savings Bank, New York, has been named vice-president and treasurer.

GEORGE G. CLARABUT, chairman of the board of Farmers National Bank & Trust Company, Rome, New York, recently completed 70 years of service with the bank. He started with the bank as a messenger, rose to president 41 years later, and has been board chairman for the past 20 years.

NATIONAL BANK OF TULSA, Oklahoma, has announced plans for the construction of a 12-story annex to

its present 24-story building, making it the largest office building in the state. The cost is to be above \$1½-million.

ROBERT F. WILD was named manager of the Cleveland Trust Company's 59th office which opened in October.

CITY NATIONAL BANK AND TRUST COMPANY, Oklahoma City, has a new sign 126 feet high. This neon "spectacular" was lighted for the first time by Johnston Murray, Governor of Oklahoma.

LILLIAN M. JAKUES, chairman of the National Women's Committee of the American Institute of Banking, addressed some 300 bank women at the first fall meeting of the Women's Committee of Richmond Chapter, A.I.B. MRS. JAKUES is assistant manager of the Van Dyke-Genoa branch of Commonwealth Bank, Detroit.

THE BANK FOR SAVINGS, New York, has an account which was opened in 1819 with a \$10 deposit, followed a year later by a \$5 deposit. No additional deposits were ever made. On October 1 of this year, with the credit of the 313th consecutive dividend, the account totals \$4,638.84—all interest except the original \$15.

HOMER DERRICK, vice-president of Easley Bank, Easley, South Carolina, has been elected president of the local chamber of commerce.

Fred J. Smith, left, who came to Arizona in 1880 from Michigan to engage in mining, examines The Bank of Arizona's collection of gold nuggets. Sherman Hazeltine, president of the bank, is holding the display



*This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities.
The offering is made only by the Prospectus.*

NEW ISSUE

October 9, 1952

\$60,000,000

International Bank for Reconstruction and Development

Nineteen Year Bonds of 1952, Due October 15, 1971

Interest Rate $3\frac{1}{2}\%$

Price 98%

Plus accrued interest from October 15, 1952.

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Stone & Webster Securities Corporation

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'Musts' for the Banker's Bookshelf . . .



FINANCIAL HANDBOOK

Edited by **Jules I. Bogen**; Editor, *Journal of Commerce*, N. Y., with Board of 65 Specialists

FAMOUS GUIDE to financial operations, completely up-to-date. Quick, accurate answers to thousands of questions faced by bankers, brokers, investment counselors—everyone responsible for keeping monetary capital safely and profitably employed. Reflects the successful experience of hundreds of firms of every type and size. Covers: financial reports; capital financing; money, credit, and banking; dividends; reorganizations; pension plans—dozens of related topics. 139 illus., 1289 pages. **\$10.00**

THE STOCK MARKET

George L. Leffer, *Pennsylvania State College*

Today's operations and functions of the market. A detailed guide on every aspect of securities transactions from opening an account to the most advanced trading

practices. Incorporates latest information, all developments since the establishment of the SEC. Covers functions, history, major exchanges, commissions, trading floor procedure, government regulations, security prices, etc. 62 illus., 580 pages. **\$6.00**

MONEY MARKET PRIMER

Late John T. Madden; Marcus Nadler; and Sipa Heller—all of *New York University*

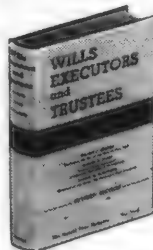
The institutions and operations of the New York money market. Examines the powers of the monetary authorities and

the mechanism of creating bank reserves and deposits. Critically discusses relations between the Treasury and Federal Reserve System. Offers help in analyzing the trend in interest rates, loans, investments, commodity prices, business activity, etc. **\$3.25**

WILLS, EXECUTORS AND TRUSTEES

William J. Grange, *New York Bar*; **Walter R. Staub**, *CPA*, *Lybrand, Ross Bros. & Montgomery*; and **Eugene G. Blackford**, *Greenwich Trust Company*.

Reliable guide for trust officers, administrators—everyone concerned with handling and disposition of the decedents' property. Revised Edition of this standard work recognizes the needs of every kind of property owner; covers problems of law, administration, accounting. 94 useful forms reflect best current practice. 346 pages. **\$6.00**



MONETARY MANAGEMENT

E. Sherman Adams, *New York University*, formerly *Central Hanover Bank and Trust Co.*, N. Y.

Detailed analysis of monetary management in the United States today. Considers ways of improvement, and weeds out false or obsolete notions about credit regulations. Outlines objectives of monetary policy; evaluates methods of regula-

tion used by the Federal Reserve System and the Treasury Department. Appraises the role of monetary management in promoting economic stability at a high level of production. **\$2.50**

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MAIN OFFICE AND
MANUFACTURING LAB.
ALLENTOWN, PENNA.
Offices in Principal Cities

Bank Women

(CONTINUED FROM PAGE 97)

Other ABW officers elected at the convention for the ensuing year include:

Vice-president: Ruth E. Sherrill, assistant vice-president, First National Bank of Memphis, Tennessee. **Recording Secretary:** Florence V. Campbell, assistant vice-president, The Bank of Commerce, Milwaukee. **Corresponding Secretary:** Kathryn Weber, secretary, First National Bank of Oshkosh, Wisconsin. **Treasurer:** Margaret S. McClure, auditor. The City Bank of Washington, Washington, D. C.

Also, eight regional vice-presidents were chosen, as follows:

Lake Division: Gladys S. Schaefer, cashier and secretary, The Farmers Bank of Trenton, Trenton, Illinois. **Middle Atlantic:** Leah N. Woodruff, assistant secretary, The Community Savings Bank, Rochester, New York. **Mid-West:** Dulcie Fitzgerald, assistant cashier, First National Bank, Kansas City (second term). **New England:** Louise Seely, clerk of the corporation, Charlestown Savings Bank, Boston. **North-western:** M. Claire Lewis, assistant manager, Clark County Branch, Seattle First National Bank, Vancouver, Washington (second term). **Southern:** Frances Longshore, assistant cashier, The First National Bank of Birmingham, Alabama (second term). **Southwestern:** Louise Stevens, assistant cashier, Hutchings-Sealy National Bank of Galveston, Texas. **Western:** Bee Bush, assistant vice-president, The Valley National Bank, Phoenix.

Jean A. Reid Awardee

A high point in this year's meeting, as in all ABW conventions, was the presentation of the Jean Arnot Reid Award. This convention's recipient was L. Lorraine Attig of the Birmingham (Michigan) National Bank. (Photo showing presentation may be found on page 17.)

The award was established by the association in 1936 in honor of a founder and former president, and consists of an embossed scroll and \$100 in cash. It is given annually to one of 10 women graduates of the American Institute of Banking with high scholastic averages who, through the integrity of character

and efficiency of work, is considered the best fitted to represent women in banking.

After attending the Illinois State Normal University, Mrs. Attig studied at the Vogue School of Fashion Art. She received her initial bank training and introduction to the A.I.B.'s educational courses from her husband, Cecil E. Attig, while both were employed by the National Bank of Detroit.

At present Mrs. Attig's duties at the Birmingham National Bank are loan and discount teller and related duties.

Speakers, for the most part, were ABW members (program appears on page 134 of September BANKING) who ably discussed various aspects of trusts and estate management, instalment credit, mutual savings banks as taxpayers, inflation, and building personality for a bank through employee and customer relations.

The "Employee-Customer Relations" panel was composed of Catherine S. Pepper, New Business Development, The National City Bank of New York, *moderator*; Marion J. Welch, assistant secretary, Equitable Trust Company, Wilmington, Delaware; Jennie R. Williams, secretary to the president and assistant personnel manager, The Empire National Bank and Trust Co., St. Paul; Ruth E. Sherrill, assistant vice-president, First National Bank of Memphis; and F. Louise Leland, assistant treasurer, Bar Harbor (Maine) Banking and Trust Co.

Personality of Personnel

Speaking on "The Personality of Personnel," Miss Welch said:

"Impress upon the new employee the fact that he is expected to meet certain standards. It is only fair to spell out the requirements at first.

"The personality of your staff will reflect a stunted growth if opportunity for advancement and promotion from within are not a part of the program. We all need something to look forward to and something to remember with a sense of accomplishment. Honest effort is not very interesting to us for its own sake over a long period of time. Results inspire it. Opportunity for advancement seems to inspire ability."

Management-Staff Teamwork

"Management and Staff Go Forward Together" was the subject of

Many Businessmen trust their Customers more than they trust Themselves

They insure capital from loss through embezzlement, theft and fire . . . yet many neglect to protect the same capital when it becomes an "account receivable"

CREDIT losses represent working capital . . . and it's earning power . . . gone forever. Your commercial customers can make *their* customers' "promises to pay" a positive asset with American Credit Insurance. It GUARANTEES payment of accounts receivable. Many banks wisely recommend this protection before approving commercial loans. *The bank can be included as a named assured without charge.*

SEND FOR NEW BOOK, "Credit Insurance and Your Company." It tells how and why businessmen last year protected sales of over 5 billion dollars with American Credit Insurance. For your copy, contact our office in your city or write American Credit Indemnity Company of New York, Dept. 45, First National Bank Building, Baltimore 2, Maryland.



*protect your capital
... invest in security*



American Credit Insurance

**guarantees payment of
accounts receivable**

Miss Williams' talk, which, in her absence, was read by Marion E. Mattson, assistant cashier, Northwestern National Bank, Minneapolis. In this paper Miss Williams remarked:

"Nothing will do more to bring out the efficiency and develop the potentialities of an employee than to give him recognition, show a little human interest in him. Think of his

desires and needs as well as those of the bank. Encourage him, tell him when he has done a good job, tell him when a customer pays him a compliment. He'll try twice as hard to please the next customer, and who benefits? The employer!"

Business Development

Mrs. Sherrill, speaking on "Business Development Programs," emphasized the fact that "much valuable help can be obtained from the bank's directors."

Continuing she said:

"It certainly is beneficial to maintain a file on directors and stockholders, with specific attention given to their business associates and family connections. This file could show from whom they buy and sell, their affiliation with civic enterprises and other business connections, such as stockholdings or directorates of other corporations."

After 44 Years

Miss Leland, who started with Bar Harbor Banking and Trust on January 2, 1908, at \$7 a week, talked about her 44-year experience in dealing with customers.

"Today employers," she said, "are making every concession and offering every inducement for women to enter the banking field. How far they will go will depend, of course, on their individual abilities and efforts. I cannot help feel that we who pioneered employment of women in banks have opened the eyes of our superiors to the fact that brains have no sex—that women can carry the responsibilities of bank executives successfully."

Excerpts from the addresses on instalment credit may be found on page 92 and from the addresses on trusts and estates on page 95.

Sedgwick gives modern, one-floor convenience to multi-floor residential property—adding greatly to value and salability. Sedgwick equipment is quickly and easily installed. Safe, dependable and inexpensively operated on house current. Recommended by many physicians and users. Nationwide representation.

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Statement of Ownership

1 STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233), OF BANKING, JOURNAL OF THE AMERICAN BANKERS ASSOCIATION, published monthly at Philadelphia, Pennsylvania, for Oct. 1, 1952.

1 1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, The American Bankers Association, 12 East 36th St., New York 16, N. Y.; Editor, William R. Kuhns, 12 East 36th st., New York 16, N. Y.; Managing Editor, None; Business manager, John J. Rooney, 12 East 36th St., New York 16, N. Y.

1 2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.) The American Bankers Association, 12 East 36th St., New York 16, N. Y. (A voluntary unincorporated association of banks); W. Harold Brenton, President, State Bank of Des Moines, Des Moines 10, Iowa, President; Harold Stonier, 12 East 36th St., New York 16, N. Y., Executive Vice-President; Merle E. Selecman, 12 East 36th St., New York 16, N. Y., Executive Manager.

1 3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.), None.

1 4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

1 5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.).

WILLIAM R. KUHN, Editor

1 Sworn to and subscribed before me this 1st day of October, 1952.

1 Elizabeth Rautanen, Notary Public, State of New York, No. 31-8503250, Qualified in New York County, Cert. filed with N. Y. Co. Clks. & Reg. Offices, Cert. filed with Westchester Co. Clerks.

1 (My commission expires March 30, 1954.)

THE NATIONAL CITY BANK OF NEW YORK

Head Office • 55 WALL STREET • New York

67 Branches in Greater New York

57 Branches Overseas



Statement of Condition as of September 30, 1952

ASSETS

Cash, Gold and Due from Banks	\$1,588,817,014
United States Government Obligations	1,495,131,149
Obligations of Other Federal Agencies	31,087,283
State and Municipal Securities	543,666,870
Other Securities	99,499,233
Loans and Discounts	2,036,722,765
Real Estate Loans and Securities	11,534,728
Customers' Liability for Acceptances	23,256,783
Stock in Federal Reserve Bank	9,000,000
Ownership of International Banking Corporation	7,000,000
Bank Premises	29,512,759
Items in Transit with Branches	8,369,499
Other Assets	5,308,684
Total	\$5,888,906,767

LIABILITIES

Deposits	\$5,402,085,923
Liability on Acceptances and Bills . . \$45,572,735	
Less: Own Acceptances in Portfolio 21,712,933	23,859,802
Due to Foreign Central Banks	16,135,500
(In Foreign Currencies)	
Reserves for:	
Unearned Discount and Other Unearned Income	26,271,631
Interest, Taxes, Other Accrued Expenses, etc.	45,938,611
Dividend	3,312,000
Capital \$144,000,000	
(7,200,000 Shares—\$20 Par)	
Surplus 156,000,000	
Undivided Profits 71,303,300	371,303,300
Total	\$5,888,906,767

Figures of Overseas Branches are as of September 25.

\$520,912,785 of United States Government Obligations and \$16,496,100 of other assets are deposited to secure \$345,049,488 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

Affiliate of The National City Bank of New York for separate administration of trust functions

CITY BANK FARMERS TRUST COMPANY

Head Office: 22 William Street, New York

Capital Funds \$31,267,715

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President, The National Cash Register Company

SOSTHENES BEHN
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ROBERT WINTHROP
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BOYKIN C. WRIGHT
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What Every Investor Should Know about his Investments...

This isn't *all* you should know by any means. But we find that any number of people have trouble even with these fundamental questions about their investments.

For instance . . .

- Can you list the stocks you own . . . the number of shares . . . the prices you paid? And how about bonds?
- Do you know what your investments are worth today . . . what dividends they pay . . . whether they return you 3%, 5%, 7%, or what?
- Would you say your program is speculative, conservative, or a mixture of both? Should it be?
- Is your investment objective capital appreciation, liberal dividends, or protection of capital?
- Are you sure the securities you own really suit that objective . . . are the best that are currently available?
- Have you checked during the past six months on the performance of these companies—their recent financial record, their prospects for the future?

If you're not sure of the answers—and want to be—perhaps we can help.

Our Research Department will be glad to review your present investments, mail you an orderly, objective, and easy-to-read analysis of just what your program looks like to us.

There's no charge for this service, no obligation.

If you think it might help, simply write to—

WALTER A. SCHOLL, *Investment Inquiries*

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70 Pine Street, New York 5, N. Y.
Offices in 103 Cities

The Convention Resolutions

(CONTINUED FROM PAGE 84)
as "excess" from business has two serious effects: (1) it induces carelessness in expenditures and so increases costs and stimulates inflation, and (2) it handicaps business in building capital needed for further production.

The "excess profits" tax should be terminated not later than its expiration date on June 30, 1953.

Federal Savings and Loan Associations

WE shall continue to press for and will propose remedial measures to correct any abuses existing through permissive rules, regulations, and the circumvention of states' rights in order to adjust the practices and operations of Federal savings and loan associations to reflect more clearly the worthy purposes for which they were originally created. We insist that the public should not be confused or misled through publicity or advertising as to the real and substantial differences between savings and loan associations and our banking institutions.

Inequitable taxation unfairly distributes the tax load now imposed and action should be taken to adjust the burden, giving due consideration to different types of corporations, including financial institutions. One course of action is the elimination of the excess profits tax as above proposed.

Equity can be carried further by the elimination of double taxation on all corporations which causes increased costs and militates against the production of goods and services, all at the ultimate expense of the public. This accomplishment could be of material advantage to the consumer and producer alike.

The Citizen's Duty

TO meet its new and complex problems the nation needs from its citizens a revival of old and simple virtues. Work and plain living and willingness to go just a little slowly in the accumulation of luxuries: these are the price of building our own and our partners' military and economic strength—and saving the
(CONTINUED ON PAGE 144)

ATTRACT AND INFORM CUSTOMERS!

**DISTINCTIVE, CHANGEABLE
BULLETIN & DISPLAY SIGNS**
for lobby or exterior use
—also desk name plates.



Send for illustrated catalog of
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BANKING

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TELLS HOW TO BUILD A PROFITABLE TRUST DEPARTMENT

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- ENTHUSIASING PERSONNEL
- YOUR PROSPECTS' NEEDS
- HOW TO INFORM PROSPECTS
- HOW TO GET ACTION
- WHY A TRUST SOLICITOR
- SECURING COOPERATION FROM THE PROFESSIONS
- MOTIVATING YOUR PROSPECT
- TRUST PROFITS



TRUST EARNINGS are increasing at an astonishing rate. Federal Reserve Member Banks' Trust Earnings for 1950 and 1951 show the greatest dollar increase of any previous two year comparative earnings.

Through estate planning your best customers can be tied more securely to your bank. At the same time Trust service will save thousands of dollars for their families and prevent the loss of wealth to your community.

Trust service can be profitable to your bank, to your customers, and to your community. Send for a copy of our Booklet, "Your Path to Trust Profits."



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PLEASE SEND ME A COPY OF YOUR BOOKLET "YOUR PATH TO TRUST PROFITS"

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BANK _____

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With inventories on a high level, there are more opportunities today for sound field warehouse loans. Many of your customers are likely to need extra capital. You can help them turn inventories into liquid assets.

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Healey Bldg.
MEMPHIS 3, TENN.
Sterick Bldg.
DALLAS 1, TEXAS
Construction Bldg.

HOUSTON 2, TEXAS
West Bldg.
LUBBOCK, TEXAS
Lubbock National Bank Bldg.
NEW YORK, NEW YORK
37 Wall Street

82

(CONTINUED FROM PAGE 142)
world from the grip of despotism.

As we meet today we face the simple duty of exercising the great privilege of the ballot. In the last presidential election in 1948, only 51 percent of the Americans eligible to vote did so. This was the lowest percentage in all time. It must be raised.

As bankers in each community we can find ways to persuade our own staffs and our customers to vote.

The ballot is the greatest instrument for human welfare ever invented by man. We, who have it, surely must use it.

Lincoln in his first inaugural address said: "Truth and justice will surely prevail by the judgment of the great tribunal of the American people."

Convention Ideas

(CONTINUED FROM PAGE 83)

of the Bar, I should be the last to condone the use of unethical methods to secure business; but on the other hand, we are in commerce, in business; and we have an obligation to bring our many services to the attention of the public.—JOSEPH W. WHITE, *vice-president of the Mercantile Trust Company, St. Louis, Missouri, and immediate past president of the Trust Division of the American Bankers Association.*

British Situation

THE nationalization of industry and banking in England was a simple operation when compared with the efforts of the Conservative Party to unscramble the truck and transportation system, which according to my informant has been the one financially-successful countrywide operation. "Unscrambling eggs is never an easy task."

The solution of their major problems will most naturally effect the future of the banking and trust business. I left England with the feeling that the situation there is grave.—SAMUEL C. WAUGH, *president of the First Trust Company, Lincoln, Nebraska.*

Every woman is economical when she puts candles on her birthday cake.

We wonder why the speed cop is always so mad after he has won the race and caught you.

War doesn't pay, but to judge from our taxes it certainly collects.



BEFORE MODERNIZATION

Modernization like this means...

- Greater operating efficiency
- Better customer service
- Faster work-flow

provided your designer knows the banking business!

Successful modernization calls for much more than improvements in physical appearance. Your new quarters should operate at peak efficiency, enable better and faster customer service, expedite work flow. Fixtures and equipment must be engineered to increase worker productivity, save time and steps in every phase of operation. To achieve these important operational advantages for you, your designer *must* have a thorough knowledge of the banking business, and the ability to translate this knowledge into new quarters that are functionally efficient in every way. We *know* the banking business. We've been in it for 40 years. You'll find our experience, technical ability and skilled craftsmanship invaluable to the success of your program. Write—or telephone us—today!

AFTER MODERNIZATION: Third National Bank & Trust Co., Springfield, Mass.



CASE HISTORY NO. 821

Photos show how we created an additional floor in this bank without major structural changes . . . by lowering ceiling in main lobby. Entire program was based on a detailed study and analysis of the bank's specific needs.

Bank Building Corporation

for **QUICK
ACCURATE
HANDLING
of LOOSE
COINS...**

THE DOWNEY CHANGE TRAY

Tray holds 10 coins each of pennies, nickels, dimes, quarters, halves, in each of 68 staggered pockets for quick accessibility and handling. Figures on border designate denominations of coins in pockets. Style No. 1 mounted on pedestal. Style No. 2 fitted with rubber bumpers for counter use. Style No. 3 mounted on short legs, arranged for nesting with other trays. Tray is 12 $\frac{1}{2}$ "x9". A time saver.

**TWICE THE LEVERAGE
HALF THE WEIGHT!**



MEETS APPROVED REQUIREMENTS...

User, with one hand, may attach cord and pull until Seal Pin is forced through the folds of the canvas coin bag. Weighs only 17 ozs.... half the average of other Seal Presses... but with twice the leverage!

PURE LEAD SEALS

"Steel Strong" Lead Seals used with the above Press, are pure, non-porous lead that will not crack or break. Cord in Seal has a tensile strength of 130 lbs. Fitted with hemp cord and pin. Seals packed in bundles of 50, all same size; pins in varying length.



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SHIPPING
TAGS**

THEY'RE STRONGER BY TEST

They "deliver the goods." Made of 8-point weight, size 2 $\frac{1}{2}$ "x6 $\frac{1}{2}$ " in. with "register" stub. Style No. 2 same size but with blank stub for desired copy. Style No. 3, size 2 $\frac{1}{2}$ "x4 $\frac{1}{2}$ " in. without stub. Reinforced eyelet extends to end of tag. Printed in red and black. Bank imprint included in price.

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At the Independent Bankers Association breakfast held in Atlantic City at the time of the American Bankers Association convention. *Left to right:* A.B.A. Immediate Past President Cocke, A.B.A. President Brenton, Senator Maybank, Treasury Secretary Snyder, and President Harding of the 12th District IBA

Bank Holding Companies

PLANs for a field investigation of bank holding companies in three states were announced by Senator Burnet R. Maybank, chairman of the Senate Banking and Currency Committee, at the annual breakfast given by the Independent Bankers Association of the Twelfth Federal Reserve District during the convention of the American Bankers Association.

Senator Maybank, principal speaker at the breakfast attended by several hundred bankers, said:

"I feel so deeply about the need for action on bank holding company legislation that if I am still chairman of the Banking Committee, which as a good Democrat I am confident I shall be, I shall appoint a subcommittee to make an on-the-spot investigation of bank holding companies in California, Arizona, and Minnesota.

"Our job," continued the Senator, "is not to eliminate the bank holding company but to insure, within the framework of the rights of states to deal with it, that there shall be adequate supervision and regulation of these combinations so that the interests of the independent unit bank will be safeguarded."

A resolution was unanimously adopted at the breakfast calling on all bankers to work for the prompt enactment of Federal legislation

which would place bank holding companies under supervision and control similar to that now applied to chartered banks. It was offered by James S. Peters, president of the Bank of Manchester, Georgia.

Harry J. Harding, president of the First National Bank of Pleasanton, California, and of the 12th District IBA, presided. Guests included Secretary of the Treasury John Snyder, A.B.A. President C. Francis Cocke, several past presidents of the A.B.A., and representatives of a number of Government agencies.



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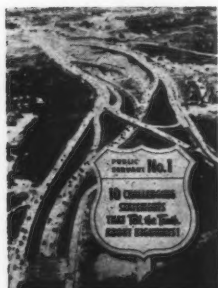
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Business Aids

Home Planners' Libraries • New Products • Operations • Industrial

EACH month this column will list recent acquisitions including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as a product endorsement.



PUBLIC SERVANT NO. 1 is a treatise covering 10 challenging statements that "tell the truth" about highways. This booklet was prepared to give the reader a pictorial, easy-to-read summary of the facts concerning a much-discussed subject of the day—our highways and their relation to the motor transport industry.

Presenting a case in behalf of the heavy commercial vehicles—the truck, truck-trailers, commercial cars and buses, it is a story for the banker who sits in community councils on the subject of responsibility for highway conditions. Write **Roy Fruehauf, president, Fruehauf Trailer Company, Detroit 32, Michigan.**



INDIA—New Republic Bridging the East and West—is an appraisal of a fabulous country and its potential to our economy (as well as to the world) by the National City Bank of New York, which serves the country through two branches. Mother India's economic values are told in story form with factual illustrations. The pamphlet highlights India's great assets, tells its plans, and points up its

crucial problems, by way of analyzing the trade potential. Write **National City Bank, New York**, for a copy.



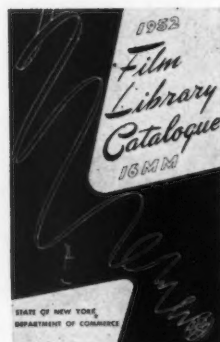
U. S. AIRFLOW CONVECTORS is a new publication for the loan officer's housing file, punched for loose-leaf binding, giving essential information on ratings, dimensions, models, and technical data. This is a publication to acquaint you with one manufacturer's full line of convectors designed for both individual housing and business property installations.

Write **United States Radiator Company, 300 Buhl Building, Detroit 26, Michigan.**



VP EDISON VOICE-WRITER is an 11-pound, book-shaped (2½-inches thick) dictating and transcribing machine just introduced. It is an ultralight, portable unit using vinylite "diamond discs" (interchangeable on all Edison equipment) with a

capacity of 30 minutes of dictation which the instrument plays back for the stenographer with full natural clarity. A single knob—"4-in-1 control"—performs all the functions of permitting executive or secretary to recall the last few words spoken or to reproduce the entire content of a disc. The same control also permits audio scanning of the entire recorded surface. Write to **Thomas A. Edison, Inc., (Ediphone Division), 39 Lakeside Avenue, West Orange, New Jersey.**



1952 FILM LIBRARY CATALOG (16mm) lists over 3,000 sound films covering more than 400 subjects available for use in schools and by civic and other groups. The subjects range from educational, merchandising, industrial, business training, travel and recreation to almost any need for entertainment you might have. They are offered free for use in schools, colleges, religious, fraternal, industrial and other

groups of 50 or more persons when no admission is charged. There is another wide group of subjects cataloged in 35mm versions suitable for theatre and auditorium showings. Address the **Film Library, New York State Department of Commerce, 40 Howard Street, Albany 7, New York**, for your copy.



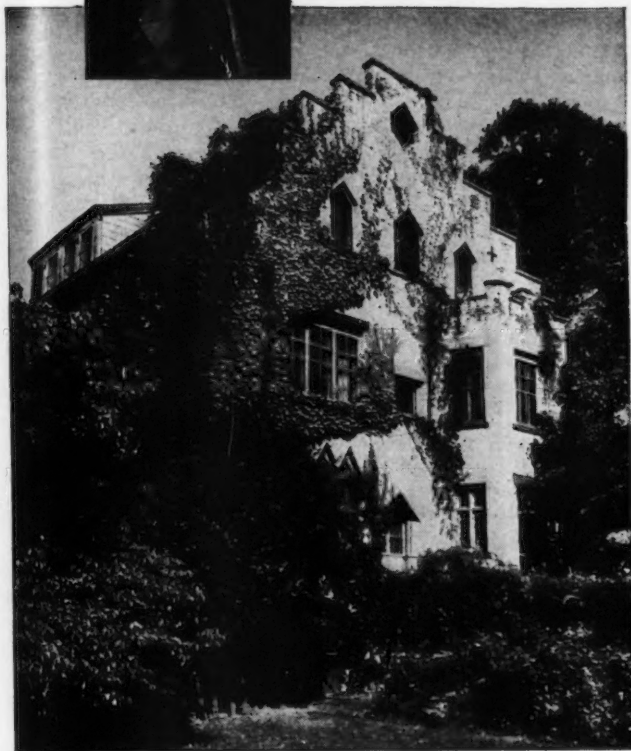
TUCSON for INDUSTRY—and "a Way of Life"—tells of the opportunities for those interested in establishing a decentralized light industry or branch or (to put it on other terms) a presentation for the banker whose commercial

customer is seeking expansion or new locations. With maps, charts, and statistical devices, this book gives a complete picture of Tucson. It is a piece for the library of the bank industrial or correspondent bank division. For your copy write **Tucson Chamber of Commerce, P. O. Box 991—Tucson, Arizona.**



"Go West" Greeley

*the old wood chopper
of Chappaqua*



Nast cartoon of Washington and Greeley was captioned, "History repeats itself. Both fond of chopping trees, and neither of them could tell a lie."



The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

TO BE GREETED as "Uncle Horace" always pleased Greeley and indicated the public's affection for the editor of the powerful New York *Tribune*. His peculiar garb and cherubic, whisker-ringed face made him the caricaturist's favorite; his high voice won him the nickname Squeak; but it has been said that "no other man in his time exercised so great an influence." Although he was responsible for advancing other men's careers—notably he secured Lincoln's nomination for the presidency—the only political office he held was a brief term as Congressman.

Born in Amherst, New Hampshire in 1811, Greeley started as apprentice printer when only fourteen and at twenty came to New York with his possessions tied in a handkerchief. His tattered clothes cost him many jobs but men who hired him found him an able printer and he soon had his own shop. In 1841 he founded the *Tribune* which under his editorship set a lofty standard.

As a supporter of causes Greeley molded opinion and his reiterated advice to "go west" was often heeded yet in his own home he declared he had no voice "unless I fight for it and not even then." The house in Chappaqua, New York, where he lived for twenty years was selected to please his wife, a complaining invalid devoted to spiritualism and health cures, but it failed to interest her. To Greeley, however, his property was a joy for here he could indulge his fondness for farming and for chopping wood. "The ax," he used to say, "is my doctor and my delight."

In 1872 when Greeley ran against Grant for the presidency, he made a short speaking tour and was so violently attacked as a "beggar for office" that he said, "I hardly know whether I am running for the presidency or the penitentiary." He was defeated and died a few weeks afterwards.

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The Outlook and Condition of Business

(CONTINUED FROM PAGE 25)

poses and the population increasing by more than 7,000 daily, the bulbs could flash off this information at appropriate intervals in various relationships to population. One can think of many angles of interest using the changing figures for debt, deficit, spending, and population.

The underlying assumption, in most long range forecasts, of a continuously prosperous future is usually tied to population. If, runs the reasoning, we add the equivalent of a city the size of Providence, Rhode Island, to our population each month, it means prosperity because of an expanding market.

Too much reliance simply on population would be a mistake because if that were the answer China and India would be the most prosperous areas in the world and the 30s in this country would have been a boom period. Our population had increased in the 20s by a greater degree than in any previous period in our history. Even during the 30s our population was not standing still. It rose by 8,894,229.

Not only here but wherever a person looks on the map today, it is the Government that is doing more and more of the spending and consequently more and more of the managing of the entire economy.

Our own spending program is fairly well charted, and in this connection data have been created on the history and future requirements

of raw materials and finished goods, of such character that the picture ahead seems to emerge with great clarity.

There are certain facts from current census figures which are attracting considerable attention because they have a measurable effect on the year just ahead. The Stork, it seems, is doing all right, and the Grim Reaper is being thwarted. It is that third member of the triumvirate, Cupid, who appears to be having statistical trouble.

Despite the extraordinary rise in population between 1940 and 1950 there was a decline in the group between 10 and 25 years of age, amounting to about 2,250,000. This is a trend and will continue for several years at least.

As a result, the formation of new families has shown a downward tendency for about four years and this will continue. By 1955 it is estimated by some that the marriage rate will be only about one-third what it was in 1948, the best year on record.

Builders and producers of cars, home equipment, and everything required by the American household have reason to study the complete census figures on population changes, particularly the marriage rate.

A detailed and practical analysis of this basic factor in the business outlook starts on page 29 of this issue.

WILLIAM R. KUHN

"May a pedestrian?"



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